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Digging at Dayan

Plus, Alex Berlyne
chews it over; Matt
Nesvisky finds a seller's market

Tourist shot
in Old City

By BARBARA AMOUYAL
For The Jerusalem Post
Police suspect that the shooting of a 42-year-old West German tourist near the Via Dolorosa in Jerusalem's Old City last night was a terrorist's act.

Suspect in
bus attack
shot dead

By JOEL GREENBERG
A Palestinian was shot and killed last night in el-Bireh on the West Bank by an IDF soldier as he pursued the man following an attack on an Egged bus.

Ministry swap
approved
after bitter
debate

By ARYEH RUBINSTEIN
Post Knesset Reporter
The Knesset yesterday approved by a large majority the exchange of portfolios between Finance Minister Yitzhak Moda'i and Justice Minister Moshe Nissim, but only after three hours of occasionally acrimonious debate.

Pinhas Goldstein (Likud-Liberals) was called to order three times and expelled from the chamber for heckling Peres, but he exercised his right to return for the vote, in which he abstained.

Yehoshua Matza (Likud-Herut) went further, and voted against the switch in ministers, as did the left opposition. Abstentions were cast by Tehiya MKs, Dan Tichon (Likud-Liberals), and Avraham Verdiger (Morasha), as well as Goldstein.

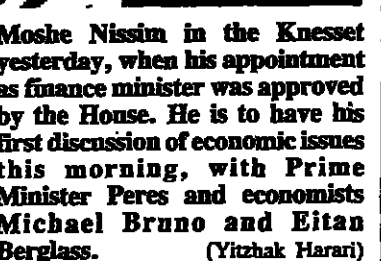
Prime Minister Peres opened the Knesset discussion with a two sentence statement announcing the government decision that Moda'i and Nissim should switch portfolios, and asking the Knesset's approval.

Knesset Speaker Shlomo Hillel opened the session with an expression of "regret and complaint" at the government's failure to honour its explicit commitment to present the bill against racist incitement today for its second and third readings (Story — page 3).

Hillel said he hoped that this would be done either during the recess or at the first sitting of the summer term, on May 19. The Law Committee has completed its work on the bill, and it was unfortunate that "needless delays are causing needless anguish."

Elazar Granot (Mapam) led the debate by posing a number of rhetorical questions. "After the ministerial changes, will fewer workers be thrown on the street without severance pay?" he asked. The next government crisis would not be long in coming, he predicted.

Haim Kaufman (Likud-Herut), head of the coalition, quoted *The Wall Street Journal* as warning President Reagan that the Alignment planned to use U.S. aid funds to serve quasi-socialist conceptions (Continued on Page 2, Col. 4)



Moshe Nissim in the Knesset yesterday, when his appointment as finance minister was approved by the House. He is to have his first discussion of economic issues this morning, with Prime Minister Peres and economists Michael Bruno and Eitan Berglass. (Yitzhak Harari)

Signs of chaos reported in Libya



Rescue workers sift through the rubble of a building — near the French embassy in Tripoli — which collapsed after the U.S. raid on Tuesday. (Reuters)

Gaddafi speaks on TV; ends speculation on his fate following U.S. raid

By WOLF BLITZER
in Washington and Agencies
Speculation over the fate of Libyan leader Muammar Gaddafi in the wake of the U.S. air strike ended late last night when he appeared on Libyan radio and television.

But there were still indications of widespread chaos, including gunfire in the capital. Several European countries, as well as Thailand, were reportedly preparing to evacuate their nationals from the country.

In his 21-minute speech, the Libyan leader said President Reagan was "guilty of issuing orders to regular forces to murder children and attack houses." He declared: "We have not issued any orders for murdering anybody, but we are in a state of revolution."

He said the raid would not deter Libya from supporting the Palestinian cause.

It was not clear whether Gaddafi was appearing on a live broadcast, but from references he made to the bombing it was clear that he had survived the attack.

Reports earlier yesterday had it that the Libyan leader had been killed or wounded in the raid, in which his 15-month-old adopted daughter reportedly died, while two of his sons were critically injured. *The Washington Times*, quoting Western European sources, said Gaddafi was believed to be in North Yemen or to have been the victim of a coup.

But in Israel, Deputy Chief of General Staff Dan Shomron dismissed rumours hours before the Gaddafi television appearance.

Moments after the speech was over, demonstrations broke out on the streets of Tripoli and drivers honked their horns. A crowd of 150 people, most of them in uniform, gathered outside the hotel where

foreign journalists are based, shaking their fists and shouting, "Death to America" and "Down with America."

The Kremlin stepped up its involvement in the U.S.-Libya crisis with a message of support from Soviet leader Mikhail Gorbachev to Gaddafi pledging to meet its military obligations.

Gorbachev pointed to what he called "the dangerous consequences" of the U.S. action, further dampening prospects of a summit this year with President Ronald Reagan.

The U.S., meanwhile, denied reports from Libya and from the Soviet news agency Tass that American warplanes had raided Libya again yesterday. Tass reported that U.S. jets had raided Tripoli's international

airport, causing civilian deaths. It gave no further details. Libya itself reported that American jets had bombed Tarhuna, a city 88 kilometres east of Tripoli, and had

How the American public has reacted — Page 4.

American shot
in Sudan

KHARTOUM (AFP). — A U.S. Embassy employee was critically wounded here on Tuesday when he was shot by unknown assailants.

U.S. sources here said that the shooting followed a march to the embassy by about 300 chanting demonstrators protesting against the American attack on Libya.

Diplomatic sources gave no details on the man's identity or rank. They said the attackers had apparently waited for him near the embassy building on Tuesday evening and had fired several shots at him.

He has been flown to Saudi Arabia for treatment.

Last November, several Americans, including some working in the embassy, were sent home because of the reported presence of Libyan extremists in Sudan. U.S. citizens were also advised not to go to Sudan.

U.S. angered by
Europe's response

Jerusalem Post Correspondents
and Agencies

There is mounting anger in Washington, especially at the Defence Department, over the lack of West European support for America's aerial strike against Libya. This disappointment is also reflected in Congress and could escalate in the immediate period ahead.

Concern has also been expressed over the long-term fate of more than 300,000 U.S. soldiers stationed in Western Europe as part of America's NATO commitments.

Together with other U.S. officials, Secretary of State George Shultz demonstrated a sense of irritation over France's decision to deny permission to the F-111s to fly over France to Libya. Instead, the planes had to take a much longer route around the Iberian peninsula, requiring four mid-air refuellings.

A French willingness to cooperate, Shultz said, would have made the U.S. mission "much safer."

Shultz expressed regret that Libyan civilians may have been killed and injured during the air strike.

At the White House, spokesman Larry Speakes suggested that Libya itself may have been responsible for some of the civilian casualties. "It is unclear whether the damage to the embassies [in Tripoli] resulted from Libyan military action or from ours," he said.

Interviewed on the United States Information Agency's *Worldnet* television programme, Shultz defended the raid as essential in the fight against international terrorism.

Asked whether the U.S. strike could jeopardize the Arab-Israeli peace process, he replied: "I think, on the contrary, it is Gaddafi's Libya that opposes negotiations for peace in the Middle East. Whenever somebody steps forward and looks as though they might be getting organized, some manner in which an Arab country or countries could sit

down and negotiate with Israel, people like Gaddafi oppose it; they oppose what we would normally think of as the peace process."

The secretary recalled that "when an outstanding and courageous leader, such as President Sadat, is murdered, they glory in that. So Gaddafi is not a person on the side of the peace process in the Middle East. His terrorist actions against peace in the Middle East have to be resisted and countered just as much as these actions in Europe."

President Reagan yesterday also lashed out against Gaddafi. He said the Libyan leader made a mistake in confusing America's desire for peace with passivity, and restraint with lack of resolve. "He mistook our traditional respect for law and for the human rights, as safeguarded by law, for a lack of will to defend against lawlessness. We hope Mr. Gaddafi will not [make this] mistake again."

In New York, Libya's top UN delegate, Rajab Azarouk was seeking a Security Council resolution that would call for a halt to U.S. raids and ask the UN secretary-general to intervene to defuse the conflict.

As debate continued in the Security Council yesterday, it became increasingly clear that the U.S. has less support on this issue than on any other in recent memory. The debate was interrupted by a bomb scare.

However, while support for the U.S. action seemed limited largely to Israel, Canada and Great Britain, it seemed unlikely that Libya would get the nine votes required for adoption of its resolution condemning the U.S. raid.

In London, Prime Minister Margaret Thatcher said yesterday that the U.S. gave advance warning to Moscow that it was carrying out a military attack on Libya.

She told Parliament that Washington (Continued on Back Page)

Shamir objects to
Peres statement
on Palestinians

By JOEL REBIBO

Vice Premier Yitzhak Shamir said last night that Prime Minister Peres had spoken as the leader of his Labour Party and not as leader of the country when he last week called for recognition of the Palestinian nation.

"As prime minister he had no authority to say that he recognizes the Palestinian people as a nation," Shamir told students at the Hebrew University in Jerusalem.

Shamir said that one of the disadvantages for the Likud in serving in a unity government was that it was unable to push for settlements. But, "at the right time we will continue our settlement activities."

The Likud had decided to stay in the government despite the latest crisis, to "protect the wholeness of Eretz Yisrael."

Sex-change operations to be allowed here

By JUDY SIEGEL

The Health Ministry said yesterday that it would permit public hospitals to perform sex-change operations under certain circumstances. The ruling was made after the ministry had learned that several such operations have been performed here illegally.

Under ministry guidelines, only transsexuals — those who have the physical characteristics of one sex and the psychological characteristics of the other — and hermaphrodites — those having the physical characteristics of both sexes — will be permitted sex-change operations.

Each operation will have to be approved by a committee of a senior surgeon, a clinical psychologist, a psychiatrist and a urologist. Private institutions will be banned from performing the operations.

The ministry said that transsexuals will be able to qualify for surgery only if they can show they have lived

as members of the sex opposite to that of their appearance for at least two years, and have been receiving hormonal treatment. They must also be examined by a psychiatrist and psychologist and sign a consent form.

Hermaphrodites may undergo operations only to strengthen their genetic sexual identity, as determined by their chromosomes, and may not seek actual sex changes.

The ministry says it does not know how many transsexuals and hermaphrodites there are in Israel or how many sex-change operations have been carried out illegally.

Selling your house?



Hurry!
There are only a few hours left to place your classified ad for tomorrow's Luah Ma'ariv. Just take your ad to any advertising agency, or to an office of Ma'ariv (or call 03-439439) and it will run in Hebrew in that paper. Hand it in early enough to make sure it reaches the office of Luah Ma'ariv before 5 p.m. today and your ad will also appear in English in The Jerusalem Post. Beat that deadline!

IMPORTANT ANNOUNCEMENT
to all Swissair passengers

As long as Summer Time
has not been introduced in Israel,
the following flight schedule will apply:—

SR 333 departs from Tel Aviv
every day at 06:50 hrs.

SR 332 arrives from Zurich
every day at 18:05 hrs.

swissair

EVERYTHING WILL BE ALL RIGHT
AT THIS YEAR'S SEDER NIGHT

Have yourselves a terrific and tasty Pessach Seder

Seder Night Specials:

Department	Item	Special Offer Price
Butcher	Freshly roasted beef	23.60 NIS/kg
	Lamb shank	21.90 NIS/kg
	Prime rib roast	17.30 NIS/kg
Fresh meat	Assado & Osobuko platters	10.90 NIS/kg
	Pickled meat in bay leaves and pimento	17.10 NIS/kg
Deli-caterers	Ready-cooked roast beef	3.76 NIS/100g
Ready-cooked	Roast duck a l'orange et a l'ananas	15.90 NIS/kg
dishes	Lamb in rice	23.00 NIS/kg
Fish	Jumbo shrimps	39.00 NIS/kg
Salads	Chicken in pineapple	1.92 NIS/100g
	Asparagus in cream	1.98 NIS/100g
Cheeses	Home made cream cheeses in choice of spices	1.65 NIS/container
Pastries	Pessach coconut cookies	1.53 NIS/100g
Sweets	Marmar	1.23 NIS/100g
Carmel Wines	Cabernet Sauvignon — Reserve 79	18.90 NIS/bottle
	Cabernet Blanc	4.90 NIS/bottle
	Special festive gift pack — Cabernet & Sauvignon Export	6.90 NIS for 2 bottles!



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The weather at major Swissair destinations

16.4.86	MIN.	MAX.	
AMSTERDAM	5	11	Cloudy
BRUSSELS	5	11	Cloudy
BIRMINGHAM	5	11	Cloudy
CHICAGO	5	11	Cloudy
COPENHAGEN	5	11	Cloudy
FRANKFURT	5	11	Cloudy
GENEVA	5	11	Cloudy
LONDON	5	11	Cloudy
MADRID	5	11	Cloudy
MILAN	5	11	Cloudy
MONTREAL	5	11	Cloudy
NEW YORK	5	11	Cloudy
OSLO	5	11	Cloudy
PARIS	5	11	Cloudy
ROME	5	11	Cloudy
SAN FRANCISCO	5	11	Cloudy
STOCKHOLM	5	11	Cloudy
TORONTO	5	11	Cloudy
ZURICH	5	11	Cloudy

*For the latest weather conditions contact Swissair.

swissair

THE WEATHER

Forecast: Partly cloudy to clear and warmer.	Yesterday's	Yesterday's	Today's
Humidity	Min-Max	Min-Max	Min-Max
Jerusalem	43	10-18	20
Golan	45	8-18	21
Safed	48	8-17	19
Haifa Port	48	8-17	22
Tiberias	40	14-26	29
Nazareth	51	—	21
Afula	46	10-22	25
Shimon	54	10-22	22
Tel Aviv	—	14-21	33
B-G Airport	50	11-21	24
Jericho	35	12-27	30
Gaza	63	14-20	22
Beer Sheva	34	10-24	26
Eilat	10	17-32	33

SOCIAL & PERSONAL

Rabbi Isser Frenkel is to address the Rotary Club at the Tel Aviv Hilton at 1:15 p.m. today.

Israel Police tip led to arrest of Flatto in Italy

By BARBARA AMOUYAL

For The Jerusalem Post
The Israel Police informed Interpol of Samuel Flatto-Sharon's departure for Italy last October, leading to his arrest there. Police Minister Haim Bar-Lev told reporters yesterday.

France subsequently sought to extradite Flatto-Sharon from Italy on fraud charges. But the millionaire former Knesset member jumped bail earlier this week and returned to Israel.

Bar-Lev admitted that the police had at first been hesitant to tell Interpol of Flatto-Sharon's departure, but had done so on the advice of Attorney-General Yitzhak Zamir.

"According to the Interpol code, a member country must inform the organization of the movements of wanted individuals," Bar-Lev said.

Flatto-Sharon told The Jerusalem Post last night: "I am a law-abiding citizen in this country, and I view Israel Police collaboration with Interpol as a traitorous, illegal act."

Missionary work alleged at plant

TIBERIAS (Itim). — The Galtronics Company which manufactures radio antennae is threatening to close down and dismiss its 40 employees if "unfair outside harassment" does not stop, manager Danny Yahav said yesterday, after scores of workers from other factories had tried to stage a sit-in at the company. The Police removed them.

Yahav said his life has been threatened recently when the company laid off a number of workers.

The dispute has also taken on a religious aspect, with the Yad L'Ahim organization charging that Galtronics' employees have been subjected to missionary lectures during working hours, and have been given the impression that promotion would be easier for those who converted to Christianity.

Galtronics has also been attacked by the Histadrut's trade union division for its refusal to allow the unionization of its workers. The company claims that the majority of its employees are not interested in unionization.

Gilboa councilman may replace Yisrael Koenig

Jerusalem Post Reporter

Interior Minister Yitzhak Peretz has proposed that Amram Kalachi, vice-chairman of the Gilboa Regional Council, replace Yisrael Koenig as Northern District Representative, Israel Radio reported last night.

Koenig resigned several weeks ago in protest against alleged government interference in the execution of demolition orders issued by the courts against illegal building in Arab towns and villages.

CONGREGATION BEIT YOSEF — RASSCO

17 Rehov Shimoni, Jerusalem

The public is invited to the Shabbat Hagadol Drashot

Shabbat MeZora, April 19, 1986

4:30 p.m. In English: Rabbi Ralph Pelcovitz

5:30 p.m. Minha: Rabbi Moshe Zalman Briskman

5:50 p.m. In Hebrew: Rabbi Moshe Zalman Briskman

HAG SAMEACH VEKASHER!

HOME AND FOREIGN NEWS

Wide-spread protests against U.S. air attack

Seventeen policemen were injured and 10 people arrested during overnight demonstrations in West Germany against the U.S. air raid in Libya, police in Frankfurt said yesterday.

Some 10,000 West Germans in major cities across the country took part in the protests late Tuesday and early yesterday, police said. The windows of a number of American businesses in West Berlin were smashed.

In central London Tuesday night, police arrested 160 people in a 2,000-strong demonstration near Prime Minister Margaret Thatcher's Downing Street residence.

In Bologna, an incendiary attack was carried out on the Italian-British Association overnight, and a call to the Italian news agency later said it was in response to Britain's support for the U.S. attack.

In Cairo, about 50 Egyptians de-

monstrated outside the heavily-fortified U.S. Embassy as a senior U.S. diplomat briefed Egyptian officials on the U.S. action.

About a dozen youths chanting slogans against President Reagan were hauled into police trucks.

Scores of Jordanian troops and baton-wielding police dispersed demonstrators in Amman who shouted slogans outside the American and British embassies, witnesses said. The protesters distributed leaflets

and burned an American flag outside the U.S. Embassy.

Moslem protesters in Bangladesh yesterday called for a "holy war" against America, and students in Pakistan stoned a U.S. library as anti-American protests continued on the Indian subcontinent.

The U.S. library in Lahore, Pakistan, was stoned by Shi'ite students. Sudan yesterday decided to call its ambassador to Washington home for consultations in the wake of the U.S.

attack, the Sudanese news agency reported.

In Peking, about 75 Arabs shouting "Death to America" burned a U.S. flag outside the U.S. Embassy and then marched to the British Embassy.

Some of the demonstrators said they were students from Libya, witnesses said.

South African police broke up a demonstration by Moslems in Cape Town, chasing and arresting five people, witnesses said.

A dozen demonstrators from the Call of Islam organization chanted anti-U.S. slogans outside the American cultural centre. They held placards saluting Muammar Gaddafi and denouncing Reagan as a terrorist.

Students at Botswana's university also marched through the streets of the capital Gaborone, denouncing the U.S. (AP, AFP, Reuters)

Arab students protest against attack on Libya

Several hundred students at an-Najah University in Nablus demonstrated yesterday against the U.S. attack on Libya, military sources reported. The students waved Palestinian flags, carried pictures of Yasser Arafat, and shouted slogans against the U.S. and Israel. They later dispersed quietly.

About 40 Arab students at Ben-Gurion University in Beersheba also demonstrated against the attack. At the Hebrew University of Jerusalem, a number of Arab students put up placards denouncing the attack, provoking arguments with right-wing students.

Court tells Peretz to explain policy on Reform convert

By HAIM SHAPIRO

Jerusalem Post Reporter
The High Court of Justice this week ordered Interior Minister Yitzhak Peretz to show cause within 45 days why the ministry should not register Shoshana Miller as a Jew.

Miller, an immigrant from the U.S. whose case was first publicized in The Jerusalem Post, was converted to Judaism by a Reform rabbi in Colorado Springs. Before coming to Israel she was active in Jewish and

pro-Israel affairs and was the cantor of her local synagogue.

When she came to Israel, Miller applied for an identity card. But when officials at the Interior Ministry saw her conversion certificate, they told her it would have to be validated by the local rabbinate. Finally, they told her she could not be registered as Jewish.

Unofficially she was told that she would have little difficulty in undergoing an Orthodox conversion in

Israel, but she felt that to do so would be a betrayal of the rabbi who converted her.

Her petition to the court was made with the help of the Movement for Progressive Judaism and of Arza, the Organization of Reform Zionists in the U.S. Jerusalem attorney Arnold Spier told the court that the ministry had exceeded its authority in refusing to register her as Jewish.

He also argued that the refusal contradicted the intention of the

legislators and that the ministry decision was based upon extraneous factors and showed unwarranted discrimination between the various denominations of Judaism.

Spier rejected a statement, made by Interior Minister Yitzhak Peretz in the Knesset to MK Yair Tzaban, to the effect that all conversion documents were referred to the rabbinate. If fact, in the past, Reform converts have been registered as Jews, the attorney said.

Peres, Shamir still differ on Taba

Jerusalem Post Staff

Prime Minister Peres and Vice Premier Shamir are still at odds over solution of the Taba dispute with Egypt.

In a meeting at the Prime Minister's Office, which was attended by Defence Minister Yitzhak Rabin and others, Shamir reportedly demanded that Israel adhere to the inner cabinet decision of four months ago, which states that during

arbitration there should also be a stage of conciliation.

He also said that the question presented to the arbitrator on Taba's future should ask where the border between Israel and Egypt should lie, rather than where the border was, as Egypt seeks to ask.

It was finally agreed that Israel would continue contacts with U.S. representatives and through them with Egypt in search of a solution acceptable to both sides.

MINISTRY SWAP

(Continued from Page One)

that would be at odds both with Israel's own good and America's philosophy.

Shevah Weiss (Alignment) called it ridiculous of Kaufman to charge that Peres had planned the whole crisis to avoid rotation. The Labour convention had overwhelmingly rejected a motion to forget about rotation. The question was not whether Moda' had been a good finance minister, but the rule of the game in the government.

Dan Tichon (Likud-Liberals) recalled that the Alignment had threatened not to vote for the budget if immediate aid for Solel Boneh and Kupat Holim were not approved. Moda' had been unaware of the ambush and had fallen victim to indecent behaviour. But the main losers would be the public, he said.

Ehud Olmert (Likud-Herut) said Moda's reference to our "flying prime minister" was not in order, since Peres's trips abroad have all improved Israel's stature.

But it was Goldstein who caused the most commotion. Goldstein asked Peres why Health Minister Mordechai Gur had not been dismissed for his anti-Moda' statements to the press. Gur had earlier called Moda's loss of the finance portfolio "a light for the health system."

Supported by some of his Likud colleagues, Goldstein continued in this vein and was called to order three times. But he did not get himself expelled until two-and-a-half hours later, when Peres gave his reply.

In his reply, Peres said that after Moda's remarks about him, his failure to react would have made a laughing-stock of the government. The mildest reaction was to remove

him from the Treasury but keep him in the government.

He asked Kaufman why, if a "liberal" economic policy was all that good, the Likud had not followed such a policy in its seven years in power. As for the charges that the Alignment had shown favoritism in deciding which failing companies to aid, Peres pointed out that the government had come to the rescue of Elscint before Solel Boneh. The provision of jobs came first, Peres said.

The prime minister said Moda' had worked hard and had done a good job, but being minister of finance was not simply a matter of economic expertise. Levi Eshkol, Pinhas Sapir, and Yehoshua Rabinowitz had not been economists but had been excellent finance ministers.

The cardinal contribution to the economic plan launched last July was made by the Histadrut, Peres said, and Manufacturers Association head Eli Hurvitz had also contributed greatly.

Peres said the agreement establishing the national unity government was for 50 months, and he would do all in his power to carry out that agreement. The economic policy would continue: there would be no budget deficit; no printing of money; no inflation. The restoration of economic growth would be undertaken in orderly fashion.

The prime minister noted that Nissim had not wanted to be finance minister and had accepted the post only as a contribution to the continuation of the unity government. Regardless of his profession, Peres said, Nissim had proved that he had the potential to be minister of finance in a government of "great economic partnership, of economic recovery, and of true dialogue."

Kimche may quit before rotation

Jerusalem Post Reporter

Foreign Ministry Director-General David Kimche is considering resigning his post and entering private business even before the rotation, The Jerusalem Post has learned.

Kimche has discussed his intentions with other ministry officials, saying he is disappointed by the way

in which the Prime Minister's Office has neutralized the Foreign Ministry's role in foreign affairs.

Kimche hoped to be appointed the next ambassador to Washington, but this appears unlikely. He does not expect to be kept on in his post by Shimon Peres after the rotation; nor does he expect that Yitzhak Shamir will appoint him director-general of the Prime Minister's Office.

Appeal for remanded Brazilian woman

By YORAM GAZIT

For The Jerusalem Post

TEL AVIV. — Israeli families who adopted Brazilian babies through Arlette Hilo began to organize yesterday to pressure the authorities for the release from custody of the 37-year-old Brazilian.

Hilo, who identified herself as a lawyer, was remanded on Tuesday for 13 days by the Tel Aviv Magistrates' Court, on suspicion of being

involved in an illegal adoption network.

Her lawyer, Shmuel Pe'er, yesterday appealed against the remand in the District Court here. He told The Jerusalem Post that his client was "apparently the victim of a scheme initiated in the upper echelons of the Brazilian government or its police."

Pe'er said he would ask the Interior Ministry to give Hilo a three-month visitor's permit.

Nissim approves lawyer for Demjanjuk

By BARBARA AMOUYAL

In his last official act as justice minister, Moshe Nissim yesterday approved American lawyer Mark O'Connor's request for permission to represent suspected Nazi criminal John Demjanjuk in an Israeli court.

In a letter to O'Connor and the officers of the Chamber of Advocates, Nissim said that the circumstances of the Demjanjuk case justified granting the American attorney full legal status. According to Section 30 of the Chamber of Advoca-

tes' code, a foreign national may be eligible to appear in an Israeli court if his client is liable to a life sentence or the death penalty.

O'Connor left Israel two weeks ago for Poland and other East European countries to collect testimony supporting Demjanjuk's claim of mistaken identity. He is expected to return before Ukrainian-born Demjanjuk, suspected of being a Treblinka guard known as Ivan the Terrible, appears for his fourth remand hearing next Friday.

Hotelier Shiff must pay over \$1m.

TEL AVIV (Itim). — Hotelier Haim Shiff must pay more than a million dollars to the owners of Netanya's Princess Hotel, the District Court said yesterday, confirming an earlier arbitration ruling.

The hotel, whose construction was completed a few years ago, was leased to Shiff, but he reportedly violated the lease agreement from the beginning by stopping his payments.

After Shiff and Shimon Stern,

owner of the Princess, applied to an arbitrator — former Tel Aviv District Court Judge Max Chernobitsky — Shiff was ordered to pay \$907,000 plus interest, payable in six instalments, with late payments subject to an additional 10 per cent per day interest charge.

After reviewing the arbitration ruling, the court ordered Shiff to pay the sum stipulated by Chernobitsky plus accrued interest. This now totals more than a million dollars.

Golan tension as Druse protest

By MENAHEM HOROWITZ

Jerusalem Post Reporter

MAJDAL SHAMS. — Tension was high last night in Druse villages in the Golan Heights on the eve of Syrian Independence Day, which is to be marked today.

Demonstrations began last night in the Golan villages, and in Mas'ada a 35-year-old villager was wounded when he was hit by police billyclubs.

Two Mas'ada youths were arrested during the demonstration in the villages.

Dozens of police and Border Police have been brought to the northern Golan Heights to prevent

marches and rallies in the villages. Meanwhile, OC Northern Command Aluf Ori Orr has ordered the area adjacent to the Syrian border near Majdal Shams closed to prevent local Druse from approaching the border. The area includes "Shouting Hill," where Golan Druse come to shout to members of their community in Syria.

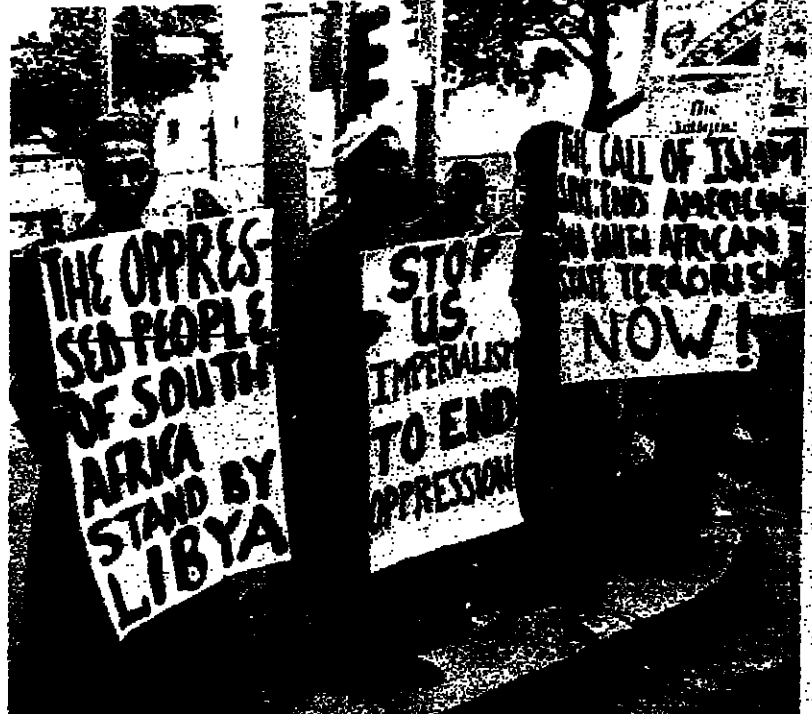
Moda'i wants ex-MK to succeed Zamir

Jerusalem Post Reporter

Newly-appointed Justice Minister Yitzhak Moda'i, reportedly wants to appoint former Liberal MK Moshe Meron as attorney-general when Prof. Yitzhak Zamir retires in a few weeks.

If Meron consents and the candidacy is acceptable to both Prime Minister Peres and Vice Premier Shamir, it would be the first time that an active party member has been appointed to the post.

Meron, 60, a practising lawyer, was Deputy Speaker and chairman of the House Committee during his term as a Knesset member, from 1977 to 1981.



A group of Moslems yesterday held a placard demonstration in Cape Town's city centre to protest against the American air strike against Libya. (AFP telephoto)

GADDAFI MYSTERY

(Continued from Page One)

was aimed at American planes, and the Information Ministry denied a foreign radio report of a rebellion in the barracks, which were attacked in 1984 by opposition elements trying to overthrow Gaddafi.

The reporters said they had not seen any planes, but some city residents said they had heard jets at about 2:00 p.m.

Reporters were given a tour of the barracks, where at least two buildings were heavily damaged. There were bomb craters within a few metres of Gaddafi's Beduin tent, pitched inside the medieval-style fortress.

The city was generally still tense. Shops remained closed for the second day and few people ventured out to the streets.

Many Tripoli residents had fled to the countryside, fearing renewed air attacks, foreign diplomats said.

The Libyan news agency Jana said Tripoli's airport had been reopened, despite reports from representatives of Libyan Arab Airlines in Nicosia that the control tower and much of the rest of the airfield had been destroyed.

The airline announced the cancellation of flights between Tripoli and London, because of the closure of Libyan airspace.

In Washington, the Pentagon said the U.S. Sixth Fleet had given up the search for two U.S. Air Force crewmen of the F-111 bomber missing over the Mediterranean Sea since the raid.

"We looked hard for the crew. It is my best judgment that the crew was killed in the crash," Joint Chiefs of Staff Chairman Admiral William Crowe told reporters.

Although Libya claimed that a number of U.S. planes were shot down, the Pentagon said the F-111 — one of more than 30 Air Force and Navy bombers used in simultaneous raids around Tripoli and Benghazi — was the only American plane lost.

"It could have been an operational accident. It could have been as a result of anti-aircraft fire in Tripoli," Crowe said of the crash.

Pentagon sources said it was possible that the F-111 that was shot down had never reached the sea again after its bombing run. The sources said not all the planes assigned to the Navy and Air Force assault force had taken part in the bombing raids.

Two of the 18 F-111 bombers sent from England had to return before the attack because of mechanical problems, as did one of the Navy's A-6 attack jets, the sources said. "There's nothing unusual about that," said one official. "You can never expect every piece of equipment to work perfectly in combat."

Shomron, speaking on Mokad, said the Libyan operation had been very complicated, requiring a five-hour flight at night to targets that were heavily defended by surface-to-air missiles. He praised the operation as demonstrating that U.S. jets could overcome Soviet-made SA-5 missiles.

He said the raid had undoubtedly taught the Syrians that they could not rely on their own Soviet equipment. In Lebanon, the Syrians had learned the weakness of their air defence during the 1982 war and had pinned their hopes on the SA-5. But now they must be reconsidering that strategy.

U.S. officials said they would share with Israel the military and intelligence lessons learned during the operation, just as Israel had when its military forces had been used in similar bombing strikes.

Israeli military experts are interested in getting this kind of data, since Israel faces many of the same Soviet-supplied anti-aircraft missile and other weapons systems in Syria.

Three piano finalists
Angela Cheng of Canada, Thomas Duis of West Germany and Matthias Fletberger of Austria are the finalists who will compete this evening in the Arthur Rubinstein Piano Competition, playing with the Israel Philharmonic Orchestra under the direction of Jan Krenz, at the Mann Auditorium in Tel Aviv. (See earlier report on page three.)

In deep sorrow, we announce the death of

Dr. KURT LIGHT

The funeral will take place today, Thursday, April 17, 1986, at 4:00 p.m. at Kfar Shmaryahu Cemetery.

The Family

The Israel Hotel Association mourns the death of

Dr. KURT LIGHT

the first director-general of the Association who helped lay the foundations of hotelkeeping in Israel

We mourn the death of our mother

MARGARET HERMANN

The Family Ramat Gan and Sweden

We share the grief of Danny, Sandy, Michal and David Cohen on the untimely death of their wife and mother

SUSAN COHEN

Ilona and Ziggy Hahn Chava and John Hall

With deep sorrow, we announce the passing of

LORRAINE GLASSENBERG

The funeral will leave today, April 17, at 6 p.m., from the Sanhedria Funeral Parlor, Jerusalem, for the Har Hamaenuel Cemetery. For further details, please telephone 02-665560.

Marvin Glassenberg and Family

To Naomi Weinstein and her family Our deepest sympathy on the death of your dear

Father

Murrel and Irit Kohn Anne Elgav Your friends at the office and their families

Shinui threat to leave coalition if racism law is not approved

By ASHER WALLFISH
Post Knesset Correspondent

The government bill to outlaw racism did not come up at yesterday's special Knesset session, apparently because the key persons involved did not give it top priority, despite a commitment by the Alignment's Moshe Shalal that it would have its final reading yesterday.

As a consequence, Communications Minister Amnon Rubinstein warned that his Shinui faction would leave the national unity coalition if the bill did not become law by the end of the summer.

Shalal's commitment in the plenum last week was made in his capacity as one of the ministers handling Knesset affairs. But yesterday he was already out of the country.

The second minister-liaison with the Knesset, Finance Minister Moshe Nissim (the former justice minister) seems to have been too preoccupied with the magnitude of his new portfolio, and in any case no longer bears formal responsibility for legislation. The cabinet will also have to replace him as liaison with the Knesset soon.

The third person who failed to act

was Law Committee chairman Eliezer Kulak, whose job it is to pilot the anti-racism measure through the plenum.

Although the Alignment and the Likud are both committed to the bill, they are seeking to reduce friction with the Orthodox factions, who mostly oppose it.

Rubinstein told an Israel Radio reporter that since passage of the measure was covered by cast-iron commitments, he was demanding that a special session be convened during the present recess, or that the bill be scheduled for the first regular session after the recess. Since Shinui would have to "draw conclusions" from any violation of these commitments, it would leave the coalition if the measure was not passed by the end of the summer, he warned.

Opening yesterday's session, Knesset speaker Shlomo Hillel also protested that the anti-racism bill was not being brought up.

Rubinstein and Absorption Minister Ya'acov Tsur (Alignment) said yesterday that they would seek a formal decision at next Sunday's cabinet session, asking the Knesset to set a date during the recess to complete the passage of the anti-racism bill.

Aloni: Attackers are terrorists

By ASHER WALLFISH
Post Knesset Correspondent

Shulamit Aloni said yesterday that the settlers who roughed up participants in Monday's Arab-Jewish meeting in Hebron, including herself and other Knesset members, were "Jewish terrorists."

In a personal statement in the plenum, Aloni (Citizens Rights Movement) said the settlers had planned the attack in an organized manner, using "armed savages against defenceless people."

Aloni said the full severity of the law should be meted out to Omiel Schneller, chairman of the Council of Judea and Samaria Settlements, and Shalom Wach, chairman of the Kiryat Arba municipal council, who are believed to have masterminded the attacks.

Knesset Speaker Shlomo Hillel,

who turned down Aloni's request to put her complaint on the agenda at yesterday's plenum session, nevertheless said: "The affair was no coincidence. It was a deliberate assault on Knesset members."

Matti Peled (Progressive List for Peace) said during the debate on the redistribution of cabinet portfolios that those who had attacked him before the Hebron meeting would one day move against Prime Minister Peres and Defence Minister Yitzhak Rabin.

The Tzohar faction, while blaming Rabin for his "irresponsibility" in permitting the Arab-Jewish meeting in Hebron, said in a statement yesterday: "If indeed violence and physical abuse were directed by the Jewish demonstrators against MKs and public figures, we express our condemnation and regret."

Debate on tax measures postponed

Post Knesset Correspondent

Three controversial tax measures that had been expected to spark protests from both Likud and Alignment backbenchers were withdrawn at the last moment from yesterday's plenum agenda.

Coalition executive members convinced newly appointed finance minister Moshe Nissim to postpone the first reading of the three measures.

Kiryat Shmona schools - the first of three articles

Living and learning within range of the Katyushas

By JOEL REBIBO
For the Jerusalem Post

KIRYAT SHMONA. - An hour after a Katyusha rocket exploded at the Danziger High School here last month, wounding four pupils, classes resumed.

"We must resume normal school activities as soon as possible," principal Yaron Shur told *The Jerusalem Post* this week. "Routine reduces fear. We can't allow one Katyusha to shake us."

"Every morning that they don't fall we thank God," Avraham Buzaglo, principal of the nearby state religious high school, told *The Post*.

"We live under a constant question mark," said Buzaglo, who graduated from the high school that he now heads. "Every decision takes into account a possible attack. I only allow field trips to areas that have bomb shelters."

His school's shelter is stocked with basic supplies and with video cassettes and tapes to keep pupils occupied should there be an attack.

Danziger's shelter is also ready for use, but Shur, an engineer-turned-educator who moved here from Tel

Aviv nine years ago, is much less preoccupied with the threat.

"Living in Israel means living with pressures," he said. "We also have problems unique to Kiryat Shmona, but the worst thing is to give in to the pressure and cancel outings. We can't live indoors."

But school officials know that they got off lightly last time. The school's physical education teacher says that the damage could have been much worse.

"I was supposed to be out with a class on the court, just metres from where the Katyusha landed. But at the last minute, I cancelled the game because of the heat," said Amos Naveh.

The wounded pupils are all back in school, and several told *The Post* that the explosion had not made them afraid to come to school. They were all on the basketball court with the start of the Pessah vacation.

But teachers say that the Katyusha attacks have definitely affected the pupils' attitudes towards Jewish-Arab co-existence. "Their feelings about Arabs are very negative as a result of living here," said one teacher.

After raid on illegal slaughterhouse

Kosher chicken scare proves unjustified

By HAIM SHAPIRO
Jerusalem Post Reporter

A panic about kosher chickens, sparked by a police raid on an illegal slaughterhouse, ended yesterday only a few hours after it began. Police said that while the chickens had been slaughtered at the plant without proper health supervision, they had not been marketed as kosher.

The panic began yesterday morning after police said they had arrested a West Bank resident who was running an illegal slaughterhouse. Following the report, Chief Rabbi Mordechai Eliahu told radio listeners that they should use no frozen chickens until the matter had been fully investigated.

Initially, it was feared that the illegal slaughterhouse had used stolen packages from kosher packing houses, which would have made it impossible to distinguish between kosher-chickens and those from the illegal plant.

But by late yesterday afternoon,

following an investigation, the Jerusalem Rabbinical Council concluded that there were no non-kosher chickens being sold as kosher. They stressed that the Of Yerushalayim and Of Meshek brands, which had been under suspicion were kosher *lamadim*.

The announcement came after *kashrus* inspectors had accompanied the police to the illegal slaughterhouse and its adjoining warehouse, as well as to the home of the arrested meat purveyor. A source at the rabinate told *The Jerusalem Post* that they had found no evidence of the use of any packaging identifying the meat as kosher.

The only crime committed by the slaughterers, the source said, was in their failure to obtain a licence and to have proper health supervision.

Nevertheless, the rabinate has warned the public to buy meat and poultry only in shops under rabbinical supervision, and not from itinerant vendors in open markets.

Bank of Israel report:

West Bank unemployment on the rise

By JOEL GREENBERG
The West Bank and Gaza Strip are in an economic slump and facing growing unemployment because of economic slowdown in the Arab world brought on by the continuing drop in oil prices, according to a Bank of Israel report released this month.

The report on economic developments in the territories is by Dan Zakai, a senior economist in the bank's research division, and covers developments from 1983 to mid-1985.

Zakai told *The Jerusalem Post* yesterday that the recent further drops in oil prices could lead to more unemployment among Palestinians from the territories working in the Gulf states.

After an economic boom in the territories in the 70s, they have now entered a period of relative recession, reflected in a mere 1 per cent annual growth rate in gross domestic product during the period covered by the study.

Zakai attributes much of the slowdown to a reduction in foreign Arab demand for products from the territories. Countries supported by them, such as Jordan, have reduced demand for West Bank goods and for workers from the territories.

The Gulf War and civil strife in Lebanon have also damaged Arab economic development, which could have created demand for goods and services from the territories, the report says.

Zakai found that exports from the territories dropped by 5 per cent

during the years covered by his study, after having risen by a similar percentage in the previous two years.

Jordan, a major market for West Bank goods, has cut down its demand, partly because of its own economic problems. It has restricted imports of agricultural goods from the West Bank to protect its local products, the report says.

Zakai says Israel's economic problems have led to a parallel reduction in demand for West Bank products.

The economic slowdown in the Arab world has also reduced demand for Palestinian workers and the money they have sent back to the territories has declined, according to the report. It says the drop has continued for some years and remittances have declined by about 5 per cent during the period covered. Zakai notes a parallel drop in funds sent from Jordan to West Bank municipalities run by Israeli officers.

The economic slump has been aggravated by accelerated population growth. The population of the territories stands at about 1.3 million.

Zakai says the population of the areas grew by 2.9 per cent per year during the period covered. This resulted from one of the highest birth rates in the world, and from a drop in emigration caused by falling demand for workers in Jordan and the oil states.

Emigration from the territories reached a low of 4,000 in 1983, but rose to 11,000 in 1984. The average annual rate for the two years was

only a third of that for the years 1976-1980, when the economies of the oil states and of Jordan were booming.

Net emigration averaged 20,000 per year in the late 70s, but dropped to an average of 7,000 yearly in the period studied. The population increase and the recession have combined to create the first significant unemployment in the territories, according to the report. Zakai found a 3.7 per cent unemployment rate in 1984 and a 5.3 per cent rate for the first nine months of 1985.

The figures are lower than those for unemployment in Israel, which Zakai attributes to the readiness of many labourers in the territories to work for less pay and move from one job sector to another.

Unemployment in the territories is concentrated among workers with 9 or more years of education, Zakai says. Some have professions which are not in demand in the areas. He notes that Palestinian educational institutions in the territories have been expanding even as demand for educated manpower has dropped in the Arab states hit by recession.

Thus fewer educated Palestinians leave the territories for Arab states, thereby creating an unemployment problem which Zakai says can only be halted by significant economic measures.

But, Zakai told *The Post* yesterday, a recovery of the Israeli economy or the planned transfer of foreign funds to the territories could offset the impact on the areas of the slump in the oil states.

HOME NEWS IN BRIEF

Rubinstein semi-finals

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. - Tension at the Arthur Rubinstein piano competition reached a peak last night as the semi-finals ended and tonight's finals approached. The names of the finalists had not been announced by press time.

Last night's semi-final concert included two performances of Mozart's Concerto in D Minor, K.466, played by Thomas Duis of West Germany and Karoly Mocsari of Hungary, and Beethoven's Concerto No. 4 in G Major played by Angela Cheng of Canada. The Israeli Philharmonic, conducted by Jan Krenz, accompanied the soloists.

In Brussels, Israeli pianist Uriel Tshor outstripped 135 competitors to win the Grand Prix International Piano Competition.

Police refuse permit for Sabbath protest

Jerusalem Post Staff

PETAH TIKVA. - Police yesterday turned down a request by Orthodox circles for a permit to demonstrate outside the Heichal Cinema here tomorrow night.

Police Minister Haim Bar-Lev told reporters yesterday that keeping order at demonstrations against Sabbath movies had cost the police 6,000 overtime workdays in the last year.

1,000 foreign workers to be deported

By TSIPI KUPER

The Interior Ministry plans to deport about 1,000 foreigners who are working here illegally. Some 50 of them - Yugoslavs, Filipinos and nationals of various African states - have been expelled recently, or are awaiting deportation.

An estimated 5,000 to 6,000 foreigners are working here without permits, some 50 per cent of the number at the end of 1984, according to a report presented this week to the Ministerial Committee on Unemployment. A Labour Ministry spokesman said that another 1,750 foreigners were working here legally.

Cosmetics banned

The Health Ministry yesterday ordered Hlavin Industries to stop making and marketing its Love Line cosmetics because it has failed to get ministry approval to do so, as required by law.

Yesterday morning, ministry teams raided plants around the country that manufacture Love Line cosmetics under contract for Hlavin, and confiscated the products.

The labels on the 17 products of the Love Line series say they are produced with Health Ministry approval. But, in fact, none of the products has been checked by ministry inspectors.

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Turkish Coffee Baskievitz Bruma Pkg. 100 g. 0.81	0.81		
Crystal family bottle 2 lit. only 1.-	1.-		
Tropit 4 units. only 1.-	1.-		
Horseradish Foa 400 g. 1.66	1.66		
GAT MONTH	TEIMA MONTH		
Prigat Juices all flavours 1.11	Kneldlach matza balls 1.45		
Sweetened raspberry syrup 2 a 4.81	Mayonnaise 500 g. only 2.11		
Roasted peanuts 500 g. 3.51	Clear soup 400 g. 2.54		

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Aboard the carrier America, this U.S. Navy F-14 jet turns on its afterburners before taking off to join bombers from England in attacking Libyan targets on Tuesday. (Reuters telephoto)

Reagan gets wide support at home

By WOLF BLITZER
Jerusalem Post Correspondent
WASHINGTON — The American decision to bomb Libya has been cautiously welcomed across the U.S. Instant public opinion surveys showed widespread support for President Reagan's tough attitude towards Libyan leader Muammar Gaddafi, even though there was some trepidation that it might spark more terrorism, which may even spread to America's shores.

There was bipartisan backing in the Senate and House of Representatives, with only a few dissenting voices. Some members complained that the White House had not consulted adequately with Congress in advance of the operation, as required under the post-Vietnam Powers Law. But those complaints were relatively minor. Newspaper editorials and commentaries were also rather positive.

Thus, *The Washington Post* wrote that Reagan, in his nationally televised address, had made "a powerful case" for his strike against Libya. The editorial criticized America's West European allies, not so much for failing to cooperate with the actual military mission but for failing to endorse America's earlier pleas for economic and diplomatic sanctions against Gaddafi's regime — "actions that over time might perhaps have preempted a requirement for later military action."

The editorial noted that "moderate" Arabs, "for all their dismay that the United States does not act more resolutely on the Palestinian front, do not conclude that terrorism directed against Americans is therefore justifiable. It will be noticed by Arabs that Ronald Reagan waited six years to hit back, and then did so

in a discriminating way — in too discriminating a way, some of them may privately complain.

"Terrorism will continue, but the war against terrorism will continue too, under a set of expectations significantly altered by Mr. Reagan's Libyan raid."

The *New York Times* also welcomed the action against Gaddafi. "Attacks against a foreign country cannot help but stir moral feelings of uncertainty and practical fears of unknown cyclones," it said. "So far in this case, however."

Reagan, in justifying the raid, said it was meant to deter future Libyan-sponsored terrorism. "Today we did what we had to do," he said. "If necessary, we will do it again."

The major question being asked is whether the raid will in fact result in less Libyan-directed terrorism. Reagan had a ready answer for those who argued against such a military strike even in the face of the hard evidence that Libya had been involved in the April 5 West Berlin discotheque bombing. The administration took the unusual step of releasing sensitive intelligence information — intercepted communications between Libya and its "people's bureau" in East Berlin — in order to generate domestic support for the decision. Intelligence officials are always afraid to disclose such evidence, out of fear that it automatically compromises their sources. But Reagan and his political aides wanted wide-spread support.

Israeli officials and American Jewish political activists in Washington were clearly delighted by the operation. For one thing, it recalled many similar Israeli air strikes against Palestinian terrorist targets

in Lebanon and elsewhere. The U.S. was effectively adopting Israel's policy.

And it will now be more difficult for the State Department or the Pentagon to complain about future Israeli preemptive or retaliatory strikes and to question whether Israel's use of American-supplied weapons was justified under the standard "legitimate self-defense" provisions of the American sales contracts. Israeli leaders will be able to point to the Libyan raid as evidence that such strikes can indeed be included under Article 51 of the United Nations Charter.

The language used by Reagan, Secretary of State George Shultz, Secretary of Defense Caspar Weinberger, Vice President George Bush and other administration spokesmen was very similar to that of Israel on earlier occasions. The targets were "terrorist" in nature. Every effort was made to avoid civilian casualties — although, unfortunately, there were some.

When Israel embarked on such direct military action over the years, the State Department almost always complained about the escalating "cycle of violence" in the region. That did not stop Israel from authorizing such strikes. And similar complaints about the American action coming from many West European quarters — especially France — will not deter Washington from undertaking similar missions against Libya in future, if necessary.

Many Americans have almost automatically come to equate their fight against terrorism with Israel's predicament. This will tend to strengthen U.S.-Israeli ties in the immediate period ahead.

Marcos charged with illegal wealth of \$5b.

MANILA (AP). — Government lawyers accused ousted president Ferdinand Marcos, his wife and 24 associates of embezzling foreign loans and amassing \$5 billion in illegal wealth. In the first corruption charge filed against the Marcoses, officials said yesterday.

Prosecutor Sedfrey Ordenez, in a formal complaint filed last week with the Commission on Good Government, also accused the former president, his wife Imelda and their friends of misappropriating U.S. military aid.

In addition, the April 7 complaint accused Marcos and his entourage of "demanding" or "receiving" gifts and kickbacks in what Ordenez described as a "grand conspiracy never before experienced" in this country.

The complaint accuses the Marcoses of "unjust enrichment" and said their alleged illegal wealth includes mansions, apartment buildings, corporations, shopping centers, real estate, cash, jewelry and other valuables in the Philippines and other countries such as the U.S., Switzerland, Austria, Italy, Australia and Canada.

Besides the Marcoses, others named in the charge sheet were Marcos' two daughters and their

husbands, Marcos' son Ferdinand Jr., former armed forces chief Gen. Fabian Ver, two former cabinet ministers, and several top businessmen associated with the ousted government.

The commission was formed by President Corason Aquino to track down alleged hidden wealth acquired by the Marcoses and their associates. The commission is a quasi-judicial body with powers to conduct pre-trial investigation, Ordenez said.

Meanwhile, some 2,500 people massed for a second day of protests outside the U.S. Embassy yesterday, pounding and scratching vehicles as they demanded the return of Marcos.

The protesters, many wielding sticks and threatening passers-by, claimed the U.S. government "kidnapped" Marcos before taking him to exile in Hawaii, and installed Aquino in his place.

Marcos yesterday said he is asking U.S. President Reagan permission to return home from his Hawaiian exile and called on Philippine leaders to recognize his running mate, Arturo Tolentino, as acting president.



Jennifer Guinness waves at newsmen along with her husband, John, after she was freed yesterday by police in an early morning raid in Dublin. (Reuters telephoto)

Freed millionaire's wife well-treated by kidnappers

DUBLIN (Reuters). — Guinness freed unharmless yesterday the wife of a millionaire banker they kidnapped eight days ago and surrendered to police after an all-night siege of their Dublin hideout.

Jennifer Guinness, 48, whose husband John is related to the wealthy Irish brewing family, was abducted from her suburban mansion by gunmen who demanded a ransom of \$2.5 million. Police said they were satisfied no money had changed hands.

"Jennifer Guinness is safely back home, tired but in extremely good health," a police spokesman said. Earlier she told newsmen she had been well treated during her ordeal.

Three men were detained after the six-hour siege during which shots were fired. Police sources said they were common criminals, wanted for questioning in connection with other crimes, including the murder of a policeman in England last year.

Other kidnappings in Ireland over the past few years were carried out by republican guerrilla groups like the Irish Republican Army.

The kidnappers were reported to have been high on the police list of suspects. When a car one of them had hired was spotted outside a house in Ballsbridge, Dublin's embassy district, the house was surrounded by marksmen.

One of the gunmen came outside, apparently to move his car, and police moved in. Shots were fired before the man was overpowered.

Shortly afterwards, Guinness appeared at an upstairs window and mouthed to watching police: "I am all right. I am all right."

One man then placed a gun to her head and shouted "We have her here. You had better back off or we'll blow her head off."

A senior detective negotiated with the men throughout the night. As dawn was breaking, the men indicated they were ready to come out and threw out their guns.

Minutes later a detective led Guinness out. As she drove off with her husband's arm round her shoulder, she told newsmen: "I was treated very well and I am very, very happy."

FOREIGN NEWS IN BRIEF

Italian wine merchants charged with murder

MILAN (AP). — A prosecutor investigating tainted Italian wines, which have killed 22 people, yesterday filed charges of second-degree murder against seven defendants who allegedly knew that methyl alcohol added to wine was potentially poisonous.

Those charged with second-degree murder were Giovanni and Daniele Ciravegna, wine merchants from Narzole in the Piedmont region, which marketed the largest amounts of tainted wine, and five people who allegedly supplied methyl alcohol to the firm.

No hospitalizations for poisoning have been reported in the past few days following a nationwide warning against consumption of low-grade wine and publication of a list of 33 companies that distributed tainted wine.

Agriculture Minister Filippo Maria Pandolfi said the sources of the tainted wine had been identified, but time would be needed to overcome damage the scandal has done to Italian exports.

Gorbachev in East Berlin for party congress

EAST BERLIN (Reuters). — Soviet leader Mikhail Gorbachev, on his first official visit to Moscow's key front line ally, arrived here yesterday for East Germany's five-yearly Communist Party congress and extensive talks with national leaders.

Western diplomats expect the Soviet leader to comment on the U.S. raid against Libya as well as broader East-West arms issues in a speech to the congress on Friday.

The visit, the first by a Soviet leader to an East German congress in 15 years, is not believed to portend any radical changes in the East German leadership.

Western diplomats said following the pattern of recent Bulgarian and Czechoslovakian congresses, the East German Communist Party is expected to map out a conservative economic and political course when the congress opens today with General Secretary Erich Honecker's report.

Man who wandered into USSR is returned

LITTLE DIOMEDE, Alaska (AP). — An American man who wandered across the frozen Bering Strait and into Soviet custody two weeks ago was released as villagers turned out to watch and wave.

John Weymouth, 33, of San Francisco, was returned Tuesday from Big Diomed Island on a Soviet Ministry of Aviation helicopter, which landed on a temporary runway carved in pack ice.

Weymouth arrived about two hours after Alaska state police, who waited several hours to handle the release, had returned to Nome, 210 kilometres to the southeast.

He stepped out of the helicopter carrying a sleeping bag and backpack. "Quite a show," he said on seeing many of the village's 154 residents lined up on the shore.

Weymouth told a reporter he had been treated well. When welcomed back, he responded: "I didn't want to come back."

Anti-apartheid group claims leader died after torture

JOHANNESBURG. — Leaders of South Africa's largest anti-apartheid coalition said yesterday that one of its regional presidents died after being tortured by police in a black homeland.

The national executive committee of the United Democratic Front issued a statement saying the death last week of Peter Nchabaleng was part of a violent campaign by security forces against UDF activists throughout the Northern Transvaal region.

Police in Lebowa, a nominally self-governing black homeland northeast of Johannesburg, said Nchabaleng died of a heart attack Friday after being detained in an investigation of the burning deaths of at least 32 people.

However, UDF officials, at a news conference in Johannesburg, denied any UDF links with the burnings and said they were convinced Nchabaleng was tortured.

"At the point of his detention, his health was in perfect condition," the statement said.

At a court in Lebowa, 23 people suspected of involvement in the burnings were arraigned yesterday on murder charges, then ordered held until a hearing May 15.

About 700 South African soldiers and police moved into a black township near Durban yesterday in what police described as a general hunt for criminals.

Police cordoned off Lamontville at about 2 a.m. and launched house-to-house searches.

First reports said several among the 30,000 Zulu residents were arrested after police discovered drugs and firearms. Security forces will remain in the township until Saturday.

SPORTS

Viv hits fastest 100 in Test history

ST. JOHN'S, Antigua (AFP). — West Indies captain Vivian Richards hit the fastest century in Test cricket history here on Tuesday when he reached his hundred off only 54 balls on the fourth-day of the fifth and final cricket Test match against England.

The 32-year-old Richards lashed six sixes and seven fours in his annihilation of the England bowling. He reached his century in just 81 minutes.

"Wisden Cricketers Almanack," regarded as the statistical authority on the game, lists Australian Jack Gregory's 100 from 67 balls against South Africa in Johannesburg in the 1921-22 series as the previous fastest on record — although there have

UN proposes cuts after U.S. reduces aid

UNITED NATIONS (AP). — UN Secretary-General Javier Perez de Cuellar proposed spending cuts of \$30 million Tuesday, including a freeze on construction of a conference centre in drought-stricken Ethiopia.

Saying the world body was facing a 1986 shortfall of \$76m, because of lower U.S. contributions, he also suggested cutting this fall's General Assembly session by three weeks.

The proposals were made in a report to the General Assembly, which meets later this month to discuss what the secretary-general has called "the most serious financial crisis" in UN history.

Perez de Cuellar has already ordered administrative and personnel cuts calculated to save \$30m. He says in his latest report that the new cuts would save \$30m more.

The remaining \$16m shortfall, he said, would be covered by voluntary contributions from member states, by borrowing, or by increasing assessments of the 159 member states.

The U.S. Congress, in an attempt to reduce the federal deficit, decided the U.S. would pay about \$150m of its \$210m UN assessment.

The cuts proposed by Perez de Cuellar would defer construction of two conference centres for regional UN economic commissions in Thailand and Ethiopia.

In addition, the cuts would include deferring the purchase of furniture and office equipment, curtailing the length and number of meetings of UN bodies, cutting the number of air tickets provided to member delegations for General Assembly meetings from six to three, and reducing the number of UN publications.

Perez de Cuellar said the cuts would give a special committee of experts, appointed by the assembly, time to come up with suggestions for a long-term solution to the world body's fiscal woes.

Steaua reach European Cup final

BUCHAREST (Reuters). — Victor Piturca maintained his record of scoring in every round of this season's European Cup yesterday as Steaua Bucharest beat Anderlecht 3-0 to become the first Romanian team to reach the final of a European club soccer competition. Steaua, the national army team, won 3-1 on aggregate and will be only the

second team from a Communist country to reach the Champions' Cup final when they line up in Seville, Spain, on May 7.

Anderlecht, seeking a place in their seventh European Cup final, but last time, were hurried out of the game from the start.

In the Cup Winners' Cup, Dynamo Kiev drew 1-1 with Dukla Prague in Prague, and go through 4-1 on aggregate.

Shlomo has high doubles hopes

By JACK LEON
TEL AVIV. — Israel's perennial tennis champion Shlomo Glickstein and his Swedish doubles partner Hans Simonsson open their spring campaign together next week at the \$325,000 Monte Carlo Grand Prix. This will be the start of their one-month warmup on clay for the French Championships in Paris, where last year the scratch pair were surprise runners-up in what was their very first outing together. After Monte Carlo Glickstein and Simonsson will compete in Munich, Rome and Florence, and they also plan to play together at Wimbledon in June.

Glickstein — suffering from a prolonged slump in singles — is setting

great store by a successful tour with Simonsson during the coming months. "I will certainly be concentrating more on doubles this season, with Hans as my partner, although, of course, I still hope to make a comeback in singles," Glickstein told me. He is currently a career-high 30 in the ATP's world doubles rankings, while in singles he has slumped to below the 200-mark. Simonsson is 27 in the doubles standings.

Shlomo Peris and Amos Mansdorf, who had previously alternated as Glickstein's doubles partner, will now team up themselves whenever possible, with their literary including Paris and Wimbledon. The two made an amicable Grand Prix debut together last October by finishing as runners-up at the \$10,000 South African Open. Both Israelis are at present around 75 in the ATP doubles rankings.

Everton take lead

LONDON (AFP). — Everton forwards Gary Lineker and Graeme Sharp, the most prolific strikeforce in the English League this season, put the Merseyside club back on top of the First Division on Tuesday night. England front-runner Lineker netted his 34th goal of the season and Scotland striker Sharp his 21st, to earn the champions a 2-0 victory at Watford.

West Ham were previously leading London's challenge for the title but Chelsea matched that by winning 2-1 at Upton Park in a tense derby to climb into third place. Midfielder Nigel

SCOREBOARD

ICE HOCKEY. — The Soviet team scored their third victory in the World Ice Hockey Championship, while defending champions Czechoslovakia lost for the third time. Sweden defeated the Czechs 3-2, while the Soviets trounced Poland 7-2. In other games, the United States crushed West Germany 9-2 and Finland defeated Canada 3-1.

NFL: Rangers 5, Flyers 2.

BASEBALL. — National League: Montreal 4, Chicago 3, 11 innings; Houston 3, San Francisco 3; Pittsburgh at Philadelphia ppd.; San Diego 2, Los Angeles 1, 12 innings; only games scheduled.

American League: New York 6, Cleveland 2; Oakland 8, Minnesota 2; Seattle 9, California 4.

TENNIS. — Fourteen-year-old Mary Joe Fernandez of the United States eliminated seeded Stephanie Rehe 5-7, 6-3, 6-1 in the second round of the Women's Tennis Association Championships in Amelia Island.

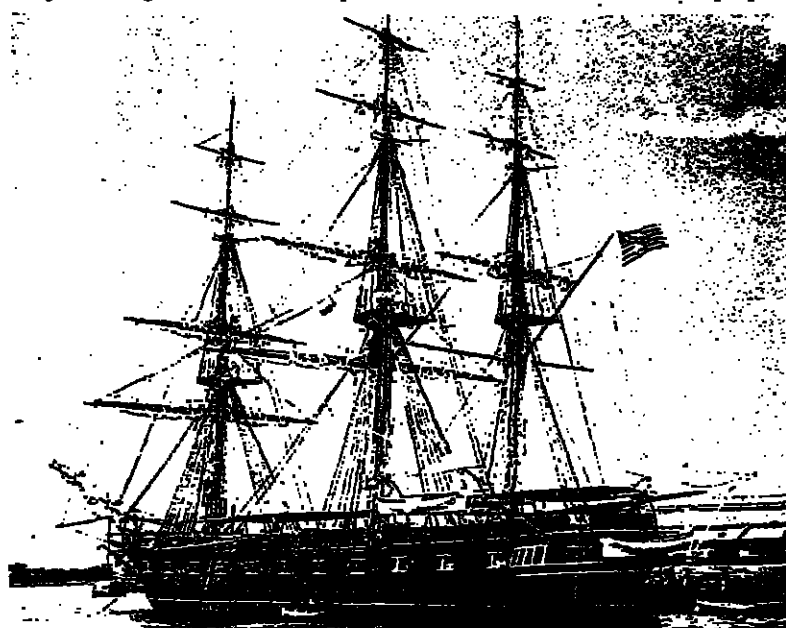
In another upset, Susana Mascarin tripped 10th-seeded Terry Phelps 6-4, 6-3.

MAYOR. — Actor Clint Eastwood, 55, was sworn in as mayor of the Californian town of Carmel on Tuesday in a brief ceremony before about 1,000 tourists and residents.

MALARIA. — A Malaria epidemic has struck more than half a million people on the central Indonesian island of Sulawesi, Antara news agency said yesterday. In Jakarta.

TITANIC. — A Titanic survivor died on Monday in his home in Florida. 74 years to the day after the luxury liner slammed into an iceberg and sank in the North Atlantic. He was 81.

Mortimer Howell Cobb was travelling as a 7-year-old boy with his German governess.



The U.S. ship Constellation shelled Tripoli in 1804 and later took part in several operations against Libyan pirates. It is now on display at Baltimore.

Sgt. Cohen and the King of Lampedusa

By N. D. GROSS

Lampedusa — the euphonious name of the islet in the Mediterranean which has entered the news for the second time in its entire history — rings not simply a bell, but a whole carillon.

Libya claims to have shelled a Nato base on the tiny speck on the map.

The last time anybody beyond Malta had heard of Lampedusa — a grand 11 kilometres long and three kilometres across at its widest — was almost 43 years ago.

The date was June 12, 1943. Rommel's Afrika Korps had been driven east and the Allies were free to use the African littoral for air strikes at Europe's "soft underbelly," in Churchill's phrase. One British plane that had completed a mission in Italy was returning to its base in Libya. It ran into engine trouble and force-landed on Lampedusa — a remarkable achievement, finding the place in the vast Mediterranean.

The pilot got out and was immediately surrounded by the entire Italian garrison of the island — six men. They surrendered, some sources say eagerly, to the pilot. What really made the story news in the British press was the fact that the pilot was none other than a Flight-Sergeant Cohen.

The young, embarrassed Cohen became a legend for a couple of days in Britain. But in one small part of the realm the legend lingered and, furthermore, had an indeterminate impact on the history of the Zionist movement and the creation of the State of Israel.

For the humorous event inspired Meir Tzelniker, the Yiddish actor-manager of the London Yiddish Theatre, to produce what became his greatest success. *The King of Lampedusa* told the tale of Sergeant Cohen with its imaginary conclusion: The flight-sergeant set up a Jewish State on Lampedusa, complete with Jewish government and Jewish coalition politics and Jewish arguments and Jewish splits.

The play, a musical of course, ran for many months at the Grand Palais in Whitechapel, which, like the revue theatre, *The Windmill*, "never closed" throughout the years of aerial bombardment of London.

The King of Lampedusa's reputation spread far beyond the East End and the rest of London Jewry, into wide circles of the general public. They liked it. But for the Jews it had a special message: it made the Bitmore resolution (on the intention of the Zionist movement to create a Jewish state) seem realizable. If in Lampedusa, why not in Eretz Yisrael?

The fervour in the Jewish audience, coming after news of the slaughters in Europe had filtered across, was palpable. The applause for the Zionist songs interpolated into the action was not for good theatre but for the turn of fortunes. A real Jewish government was on the way.

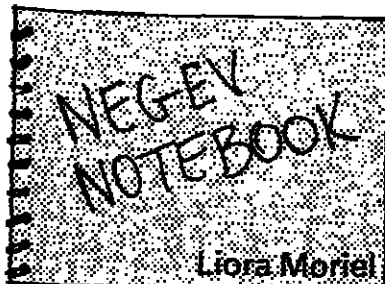
An ironic twist: In the heated discussions among Tzelniker's fellow-actors on the formation of a government, everyone wanted to be finance minister.

UN proposed cuts after reduces aid

FEATURES

551 מן האוכל

Helping the endangered



YOTVATA. - A breeding centre for endangered desert species opened recently at the Hai-Bar Biblical Wildlife Reserve near this Arava kibbutz, 40 kilometres north of Eilat. Dedicated to the late Avraham Yoffe, the founder and first director of the Nature Reserves Authority, the centre is yet another step in the direction he took: the reintroduction of nearly extinct animals to the wilds of Israel's arid zone.

"Yoffe loved the land completely," said President Chaim Herzog at the opening ceremony. "This was not a mindless, ethereal love, but a deeply rooted love for every clod of earth, every plant, every animal and person. Over 20 years of nature preservation have given us a large network of reserves and rangers, as well as scientific information and newly-revived species of flora and fauna."

Another important factor in the revival of these species - and an integral part of the NRA's impressive success, even by international standards - is the re-education of the population. In schools and in a criss-crossing network of nature trails throughout the country, NRA counsellors and those of the Society for the Protection of Nature have for years taught people of all ages not to pick wild flowers nor hunt indiscriminately.

But the educational battle for the public's support and understanding can never be over. Each generation must be taught to understand and to respect the landscape and every living part of it.

In fact, only a week after the addition to the Hai-Bar reserve was opened, a rare ostrich was run over by a tour bus and killed. The passengers had been feeding apples to the ostriches just before the accident - something not permitted on the reserve.

THE NEW centre is very different from the rest of Hai-Bar and is situated at its southern extremity. While the rest of the reserve has groups of animals roaming freely among the vegetation, here the animals are caged. Also, while the earlier species were herbivores and



Avraham Yoffe (Israel Sun)

mammals, the new ones are carnivores, reptiles (including rare varieties of poisonous snakes) and rodents.

The carnivores are divided into the canines, the felines and the hyenas: easily spotted by even the casual observer. There are wolves, foxes, a leopard (one of those previously monitored in Ein Gedi), caracals, wild cats and hyenas.

The opening held an interesting exhibit of art work by some of Israel's leading painters and sculptors, put together by curator Yossi Asher for Omaniut La'am "Art for the People", the Education and Culture Ministry's outreach programme. Entitled "There are no bad animals," the show gave a friendly feeling as the crowd passed the less accessible, live animals.

When the NIS 1 million project is completed later this year, the centre is to have an unusual aviary as well, made up of nearly extinct birds of prey.

Angry nightingale

THERE AND THEN / Sraya Shapiro

"WHAT'S WRONG in loving one's people? Why should Zionists be made to feel apologetic?" Nehama Lifshitz, "the nightingale of Russian Jewry" in the 1950s, is indignant. She has been in Israel for 17 years and considers herself as Israeli as any Israeli could be. "I have always felt I was at home in Israel, even in the darkest hours in Russia."

"You are really a *sabra*," Dr. Arye Harel, then Israel's ambassador in Moscow, told her. It was a compliment.

Arriving in Israel, she found that many things perplexed her. She kept silent about them, partly because of the inveterate Russian habit of saying nothing about what they see, but mainly, she said, it was because "You don't criticise your parents out loud." Moreover, "Everything that can be detrimental to Israel is copied by the Soviet press, and Jewish youths read everything". They may not believe it but when they do come to Israel and see the wars they are bound to wonder. "Still, this our land, our family. You love your family whatever happens".

"WHEN I CAME here I was fêted like a queen. One day a famous actress asked me, 'Nehame'le, have you decided what to do after the honeymoon is over?' I did not understand her. Everybody was my friend. The prime minister [Golda Meir] received me as a sister. Only much later on does one realize that you cannot ring the prime minister directly and that the bureaucracy

here must have been copied on the Russian model..."

To be happy, a Russian immigrant must have a flat to live in and work to do. "For a Russian it is inconceivable not to have a job. He would feel ashamed to live on the dole."

Many immigrants would like to do something for the community. "But you soon discover that public service is tightly departmentalized by the political parties."

"When I sang in Russia it was for the Jewish people, not for a party. When young Jews come here, they are snatched by the party machines and required to follow their lead. No wonder the impact of Russian immigrants on society is so small."

She herself tried to help new immigrants, but was dismayed by the plethora of organizations which were supposed to deal with the problem. She was also hampered by her professional career by the nerve-racking efforts to bring her parents and daughter to Israel. "I should have heeded Giora Godik, the impresario, and gone to America for a year or two."

When she stopped singing, she learned librarianship at Bar-Ilan university. "I was lucky to land a job at the municipal music library."

But then, she muses, "I have always been rather lucky. I was never arrested and I had a lot of help from many quarters, including non-Jews, especially from the Lithuanian Philharmonic, my employers. They



Nehama Lifshitz

(David Rubinger)

knew I was singing Yiddish and Hebrew songs (she knew Hebrew from kindergarten in her native Kaunas); they only said I should be careful". In fact, the main danger came from informers who were not usually gentiles. In Moscow, she dared to sing in Hebrew and when summoned to account for it, Nehama

produced a book of Hebrew poems translated by Alexander Penn and published in Moscow by Gosizdat. "I only said I sang it in the original".

Finally, she also considers herself lucky in having been able to leave the Soviet Union in time: "I would not have been able to leave today."

Festival time

MUSIC

HOL HAMO'ED Pessah, there will be a new addition to musical activity in the North. From the evening of April 24 Vocalisa '86 is offering simultaneous marathon performances by choirs and vocal and chamber music ensembles, solo recitals, popular singing, theatre and dance at both the Knights' Halls and the Khan el-Umdan in exotic Old Acre.

The choral festival will open with a performance of Schubert's Mass in G major by the Haifa Symphony Orchestra and the Haifa Chamber Music Choir at the Khan el-Umdan, and will close on Saturday evening, April 26, with a "musical happening" on the Acre Marina, which will be enlivened by sailing boats and fireworks.

The choirs will include the Camerian Singers conducted by Avner Itai, with a special programme to mark its 10th anniversary; the Rimal National Choir with Stanley Sperber conducting; and both the Western Galilee and the Haifa Chamber Music Choirs directed by Yosi Seifert, who is also the musical director of Vocalisa.

Other vocal groups will make their first appearances as the Madrigal Group, with Renaissance, Romantic and Classic music; the Troubadour Quintet presenting a programme of "Seasonal Sound and Animal Songs" and the "Kolan" Gruzini Quintet with a rich fund of folklore.

There will be evenings of chamber music both instrumental and vocal, duets and solo recitals. The only guest singer will be Japanese soprano, Atzuko Suzuki who will sing *lieder* by Schubert, Wolf, Brahms, Webern, etc. Among the Israeli singers will be Gila Yaron with Eli Hefetz, clarinet and Idit Zwi, piano; Adi Etzion, accompanied by pianist Pazit Gal, with two different programmes, *French Evening* and *Cabaret, Homage to Kurt Weill*; Shuli Natan and her guitar and Tzila Dagan.

Among the instrumental groups will be the Jerusalem Brass Quintet and the Piamanta Saxophone Quartet. There will also be programmes of popular music and singing, theatre and dance.

GUITAR RECITAL Emanuele Segre (Italy). Glisten: From the "Glistenante," Op. 148 and Variations on Handel, Op. 187; Martin Liebes and Yoram Heller; Ben-Zakoun: 5 Improvisations; Paganini: Grande Sonata in A major. (Haifa National Maritime Museum, April 3).

AT 20 years old, Emanuele Segre, is a promising, gifted young guitarist. He performed a varied programme which highlighted works by great figures in the history of classical guitar.

Starting with Mauro Giuliani (1781-1829), the famous Italian player, Segre played three short pieces "La Risoluzione," "La Melancolia" and "L'Amorosa" with remarkable expressiveness and technical skill. He followed these with an excellent rendition of Giuliani's variations on Handel's "The Harmonious Blacksmith."

The music of Richard Rodney Bennett (b.1936), an interesting, contemporary English composer, came next. Written in serial-tone technique, these works make use of various plucking effects. Segre interpreted the 5 Improvisations with ease and understanding.

Two pieces by Johann Kaspar Mertz (1806-1856) added colour and were performed with emotional involvement; however it was the final piece, Paganini's Grande Sonata in A major, that enabled Emanuele Segre to best display his musical and technical abilities, the sonority of technical abilities, graded dynamics and contrasting, graded dynamics. It won over the capacity audiences and provided the culmination of a well-prepared and refined recital.

FOR THE 43rd time, Kibbutz Ein Gev will hold its annual Pessah Festival at the Esco Music Centre on the kibbutz grounds. Situated in a most glorious setting, on the eastern shore of Lake Kinneret, opposite Tiberias, Ein Gev is a favourite place for tourists to visit on their way to the Golan, and particularly at Pessah time, when Israelis crowd the shores of the Kinneret and the neighbouring camps and enjoy the opportunity for an evening's entertainment at the Esco Hall.

This year, too, the programme takes care of every kind of taste and preference. The Festival opens on Thursday, April 24, when the Israel Chamber Orchestra, with Sidney Harth conducting, will present Mozart's lovely Symphony in A-Major and Schoenberg's *Transfigured Night* for strings.

On Friday Night, Yehuda Poliker will sing Hebrew adaptations of Greek songs, and on the following afternoon at 5:00, Eric Smith's Puppet Theatre will present a Hans Christian Andersen programme.

Two ballet evenings should find fans. On Sunday, April 27, the Israel Ballet, choreographed by Berta Jampolsky, will perform Tchaikovsky's *Nutcracker*, and on Tuesday, the Cologne Opera Dance Company will stage *The Green Table* with Kurt Jooss's original choreography, and *Exercises for Dancers*, by Jochen Ulrich. One of the biggest draws is sure to be the evening of Israeli songs, with Matti Caspi, the Duda'im, the Parvarim, Hanan Yovel, Ora Sitrer and Sasha Argov. This event is to be hosted by Ehad Manor on Monday, April 28.

All evening programmes start at 9:00 (Sunday 8:00). There will be a bus service between Ein Gev and the hotels in Tiberias, and motor boats will leave Tiberias one hour before every performance. Tickets can be ordered at agencies in Jerusalem (Cahana), Tel Aviv (Castel, Hadran) Haifa (Garber), Tiberias (Bidur Hatzafar), Safed (Grinbaum), as well as at "Kinneret," tel.: (067)-58030.

FRENCH MUSIC - The Israel Sinfonietta String Quartet (Brighton-Salem-Reiter, Catherine Sulem, violin; Pierre-Henri Xuereb, viola; Doron Toyster, cello; with David Ben-Zakoun, piano) (Zionist Confederation House, Jerusalem-April 6). Leclair: Sonata for Two Violins; Faure: Elégie for Cello and Piano; Debussy: Sonata for Violin and Piano; Enescu: Concerto Piece for Violin and Piano; Franck: Piano Quintet in F major.

THERE HAS recently been a spate of chamber recitals given by local and foreign artists, particularly in Jerusalem. The city's numerous venues for this genre seem to be self-defeating, in that there seem not to be enough listeners to fill the halls, and there is nothing much worse for young and aspiring artists than to perform before a near-empty auditorium. Having a weak spot for the Beersheban pioneers of good music, I went to this concert of French music to enjoy the individual and team offerings.

The problem of programming national schools of music is that of quality. One had to take the sentimental Faure with the inventive and beautiful Leclair, the exciting Debussy sonata with the endless, verbose and boring Franck quintet. Enescu, a Rumanian but with a special relationship to Paris, contributed a piece, obviously written to show technical brilliance and emotional expression tailored to the requirements of an instrumental competition.

Excellent but too aggressive Brigitte Sulem-Reiter, smooth and faithful Catherine Sulem, unperurbed and excellent Pierre-Henri Xuereb, reliable and musicianly Doron Toyster all came out with flying colours. The guest of the ensemble, Daniel Ben-Zakoun, attended to the various tasks of accompaniment as well as more exposed pianistic with utmost diligence and smooth delivery; though there was still missing that kind of personal commitment and leadership which unobtrusively propels performances forward and provides the rhythmical backbone and support for the other instrumentalists need for their own security and freedom of interpretative action.

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NICARAGUA

By HUGH O'SHAUGHNESY/London

In 1979 their southern neighbours, the Nicaraguans, rose up and ousted the Somoza dictatorship and the Hondurans sheltered some of the fallen dictator's cronies. Good-naturedly they gave a home to the

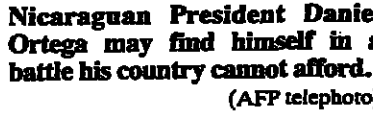
U.S. troops will manoeuvre within a few miles of the frontier with Nicaragua, and Honduran peasants, who a few years ago hardly knew what a tractor was, now see U.S. bulldozers carving out instant airstrips, U.S. helicopters ferrying Hon-



Hondurans are beginning to experience the desolation of war. The Contras, frustrated, are turning in-

By MIGUEL ACOCA

The U.S. already has ample military facilities in Honduras to arm and train a steady stream of Contra guerrillas to do battle in Nicaragua. It maintains a network of bases, arms and munitions depots, it regularly holds military exercises in Honduras, and it is planning to expand Honduran installations.



IN RECENT weeks, U.S. officials dealing with Nicaragua have revived the guerrilla warfare force equation so prevalent in the 1960s during the Vietnam War — so that it takes 10 regular army soldiers to combat one guerrilla.

Thus, the argument runs, if the Contras, with U.S. help, put 40,000 guerrillas inside Nicaragua, the Sandinistas will have to increase their

Now the U.S. has helicoptered Honduran troops to the remote border region to provide a shield for the Contra installations, located 15 kilometres from the border, until the training and equipping of the new Contra guerrilla battalions is completed. (LONDON OBSERVER SERVICE)

Consensus needed on goals and methods

By HENRY KISSINGER

both the Korean and Vietnamese negotiations unilateral American restraint at the outset prolonged the

Marxist- Leninist régime on the Cuban and Soviet model. It has built

present policy of the administration — from the scale of aid requested to back by the fear that in the end the country that invented the Monroe

pus. Buses 9, 28, 24 and 16.

E. All signatories would commit

It is to live in a constructive relationship with the forces liberated by the new wave of democracy. And in doing so it will serve not only its own national interest but the cause of freedom. (L.A. TIMES SYNDICATE)

TELEVISION

ON THE AIR

Voice of Music
6.02 Morning Melodies
7.07 Tchaikovsky: excerpts from "Nut-

15.30 Speaker's Podium
15.53 Notes on a New Book
16.06 Middle East Crossroads
17.20 Everyman's University
18.06 Jewish Traditions
18.50 Bible Reading

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CINEMAS

bi: Miami Super Cop; **Only:** Pyramid of Fear; **Para:** Spinal Tap 12, 2, 4, 7-30, 9-30; **Peer:** Sweet Dreams; **Shefat:** Out of Africa 5:45, 9:15; **Studio:** Zari; **Tchelet:** Jagged Edge; **Tel Aviv:** Delta Force 4:30, 7, 9; **Tel Aviv Museum:** Smile of the Land 4:30, 7-30, 9-30.

PETAH TIKVA
G.G. Hechal 1: Delta Force 4:30, 7, 9:30; Back to the Future 10:30, 12:30, 2:30; G.G. Hechal 2: Pizzi's Honor 4:30, 7, 9:30; Lassie Come Home 10:35

WHAT'S ON IN HAIFA, dial 04-640840.

Water 7:15, 9:30; 1941 at 11:45 p.m. Tel Aviv; Delta Force 4:30, 7, 9: Enter the Ninja 11 a.m.: American Ninja 2

12:35, 2:35; **G.G. Hechal** 3: Back to the Future 4:30, 7:15, 9:30; American Ninja 10:35, 12:35, 2:35

10:35, 12:35, 2:35

Ultra-Orthodox finding themselves in the chips

By DORON PELY / Special to The Jerusalem Post

IF YOU think that sidelocks and kippot don't go together with computer disks and programmes, think again. Computers are rapidly becoming big business in the ultra-Orthodox community, affecting it both economically and socially and bringing new expertise and new jobs.

"There's a lot of money in the haredi sector, many serious companies and businesses, yeshivot, hotels, hospitals—all of which constitute a potential market for computer technology," says Dudu Zanaani, manager of "Illanith," a Bnei Brak based software company, owned jointly by two Gur Hassidim and "Tenuat Hamoshavim."

Software companies in the ultra-Orthodox sector develop computer programmes geared specifically for the haredi community. One such product is "Nihulith," a management software package for yeshivot and other institutions, designed by "Illanith." "Nihulith's" features include the ability to generate lists of contributors, draw contributions from one bank account into another, and even notify the user of a late contributor's coming memorial or yahrzeit. Other computer programmes have a distinct ultra-Orthodox appeal: a management package for kashrut supervisors and a sophisticated programme that searches for misspellings and connected let-

ters in mezuza.

Apart from religiously related applications, computer outlets in the haredi street produce a host of secular business programmes for book-keeping, stock management and word processing.

"The interest in word processing equipment among haredi circles is astounding," says Israel Arnon, co-owner of "Melechet Machshev," a computer vendor located in Bnei Brak. According to Arnon, written material is produced in huge quantities in the haredi world, and the introduction of word processing computers—a far cry from the best typewriter—is greeted with a lot of enthusiasm.

For dozens of haredi women, computers are, undoubtedly, a blessing in terms of jobs and work opportunities.

In a community where men traditionally devote many hours to biblical studies, the task of earning a living often falls on women. A few years after marriage, many haredi wives are burdened with the double duty of bringing home the bread and rearing a growing family.

Although the burden of subsistence rests with the women, the slice of the labour market open to them is severely limited. "Until computer professions became accessible to us, we were limited to working as teachers or at home," says Yafa Brand, a system analyst and team leader at "Illanith." According to Brand, for a haredi woman to be able to work outside her home, the work place must be kosher, allow for the separation of men from women and receive the approval of a rabbi. "It is very desirable that we work in a religious surrounding," she adds.

TWO GUR hassidim businessmen, Avigdor Rosenwald and Yosi Pardes, decided to bring in computers as a potential source of employment for haredi women. After getting their Rabbi's approval, they arranged for programming language courses in Bnei Brak. Dozens of religious women took the courses and were given a job with "Illanith," where they work in software development projects for the secular as well as the religious market. Similar courses were later arranged for haredi women in Jerusalem.

Haredi computer companies take into consideration women's child-bearing tasks, and let them work short days, although, according to Brand "Sometimes, when there is a pressing assignment, we have to work overtime."

Computer professionals in the

haredi street see the combination of computer and Tora as advantageous. According to Zanaani, "work is taken very seriously here, and the reality of work is closer to the Halacha's guidelines." Private phone calls, for example, are forbidden by Jewish law, according to Zanaani, who stresses that there is no loitering on the job in "Illanith."

Utilization of computers in the haredi world is limited to strictly business applications. Sale or use of computers for entertainment purposes is forbidden. "We never relate to the hardware as home computers, only as business computers," explains Arnon, a newly devout software engineer.

Many of the computer people in the haredi world are former non-religious computer experts who decided to continue in their profession

after becoming religious. "We decided to become a bridge between technology and the religious consumer," says Arnon. "The religious Jew is not exposed to advertisements and technical publications and is deprived because of that of use of this new technology."

Asked whether a haredi customer would prefer to do business with a haredi computer vendor, Zanaani answers in the negative. "A religious institution will not give a blind preference to a religious vendor," he says, "but it's us who try to study and offer solutions to the unique demands of this market."

Israel Arnon forecasts a bright future for the "computerniks" of the haredi sector. "I am convinced that within months, there won't be a respectable business here that will not use a computer for its bookkeeping and stock management."

Computer imaging puts pregnancies into the picture

By JUDY SIEGEL-ITZKOVICH / Post Reporter

WOMEN IN the English county of Cambridge who have high-risk pregnancies don't need to travel to the hospital or clinic for checkups anymore. They merely have their fetuses' heartbeats monitored over the telephone by doctors, who call the expectant mothers in if they suspect something is wrong.

After years of long research, the computer is finally being used in obstetrics and gynecology, according to the *London Observer*. It offers easier and better care, increased efficiency and saves millions of dollars a year. The Cambridge telemetry system is designed specifically for women who have had a previous stillbirth, small babies or whose deliveries are overdue.

After a five-minute lesson, the women take home a portable fetal heart monitor and a special modem. They call the hospital to record the fetus's heartbeat 20 minutes a day. Over 100 women have taken part, and they like it.

Although some conservative voices in medicine oppose computers on the basis that medicine has become too machine-oriented, most are happy. Computers also help in diagnosing acute abdominal pain and checking cervical smears for cancer.

COMPUTERIZED IMAGING is being used in Israel for the treatment of war injuries. The Haifa Technion applies computerized tomography, a method which displays selected planes in the body, particularly in cases of trauma to the head, face, spine, abdomen and chest. Since imaging is non-invasive, painless and quick, producing three-dimensional pictures of organs, it is also very helpful in localizing foreign bodies that have penetrated the body, including bullets and shrapnel.

The extent of damage to soft tissue and internal organs can be discerned from the images on the computer screen. During the Lebanon War, the Technion worked with Rambam Hospital doctors to treat a large number of eye injuries among soldiers. Foreign objects which were invisible in previous radiographic techniques were located in the eyes of the wounded and subsequently removed.

SPRING IS tax-filing time for Americans and is usually a headache. But now computers are

being used to make out your income tax reports, according to April's *Science Digest*.

The U.S. Internal Revenue Service has instituted a pilot programme for electronic transmission of returns from authorized tax preparers' computers to local centres around the country. The reduction of paper work should reduce the time needed to issue refunds by up to three weeks.

Eventually, computers should allow any taxpayer or preparer to file his returns electronically. Some people, however, are worried about privacy and accuracy.

Thousands of private citizens are already preparing their tax returns on their personal computers at home, with software produced by a number of companies at a cost of \$50 to \$80.

But they still must take the information produced by the computer and fill out the income tax forms manually.

SPACE HELMETS to be used in the future by NASA astronauts and pilots will do more than filter sunlight. They will also display computer information in front of their eyes, thus removing the need to look down to an instrument panel. *Popular Science* magazine (April issue) reports that the helmets, built for about \$2,000 apiece at NASA's Ames Research Centre in California, superimpose computer-generated diagrams over the actual front views of the pilot. A sensor in the helmet detects head movement and thus computer images change and "track" when the pilot looks in another direction. The wraparound view is something like that from the front-row seat in a 3-D movie. NASA is trying to improve the picture resolution and use colour liquid-crystal-diode screens.

YOU CAN see how you'd look with a different kind of makeup, or with a facelift, without having your face touched.

Computers are now being used in certain American department store cosmetics departments, for applying makeup electronically to experiment with the right "look." The client is photographed by a video camera and her image projected on a screen. The beautician uses a stylus to choose colours, which are "applied" to the image. Only when the client is satisfied does she buy the products.

ISRAEL IS among the world leaders in educational computers, according to experts attending the International Conference on Courseware Design and Evaluation last week in Ramat Gan.

"The educational software coming out of Israel is of very high quality," said Prof. Sam Spero, a consultant from Cleveland, Ohio. "There would be a very clear market in the U.S."

In the long term, Israeli software in math and science may become an export product. Education Ministry officials are more than a little pleased at the prospects, which could help polish Israel's image abroad.

The Israeli educational software industry began three years ago with the development of the computer assisted instruction department, a branch of the Education Ministry's Curriculum Centre.

"We soon realized that Israel was too small a market to make it worth the while of commercial companies to make only Hebrew software," Dr. Benjamin Feinstein, head of the de-

partment and the primary organizer of the conference, told *The Post*. The centre wanted to develop material that would thoroughly meet the needs of the teachers; therefore, it created six regional centres staffed by teachers and programming experts to develop software.

"Our approach was then considered daring," said Dr. Laurin Lewis, administrator of the programme for development of educational software, based in Rehovot. "Rather than create one centralized group of experts operating out of an ivory tower, we trained teachers in software design and let them collaborate with experts."

Each of the regional centres is staffed by seven teachers whose teaching load has been lightened to allow them to work at the centre. To date, there are 600 lessons on file.

Before a lesson is accepted it goes through a rigorous evaluation process. Mike Ofir, who heads the regional centre at Oranaim, the educational school of the kibbutz movement, conducts workshops on how to evaluate software.

"Teachers have to understand what good software is," he said. "What are things that could have been taught with a regular notebook and pen, and what are things that only computers can teach. We have to use computers to their fullest advantage."

According to Ofir, the ministry is now turning its attention to developing material for Arab schools—lessons in Arabic, that reflect Arab culture—as well as Hebrew programmes for Diaspora schools.

Israel near top of the class

By JOEL REBIBO / For The Jerusalem Post

ISRAEL has made great progress in developing software, but as in other high-tech areas, it faces another problem: getting these educational aids to the classroom.

"Teachers feel threatened," Ofir said. "Pupils are much stronger than teachers when it comes to computers. It is easier to stand in front of a room and put material on a blackboard."

Lewis is more charitable. "Teachers are overworked and underpaid. It is hard to get them to read through the teachers' manuals that come with the software."

But according to the ministry's consultant on computers in elementary schools and teacher training, teachers will have no choice.

"Within three years there will be a

computer for every two junior high school pupils," Dr. Daniel Millin told *The Post*.

Currently, 80 per cent of the high schools and 45 per cent of the elementary schools in the country have computers, but there are on average only eight per school. One hundred schools have already reached the goal of one computer for every two pupils.

Gifted children will be able to advance rapidly with the help of computers and the assistance of simulations.

A chemistry programme, for instance, can tell the pupil instantly what will happen if too much heat or too much of a chemical is added to a solution. Another programme requires students to calculate the proper speed that a missile needs to break through the earth's atmosphere and reach the moon.

The ministry decided to concentrate on the junior high school—grades seven and eight—so that "by the time every Israeli reaches the ninth grade he will understand computers," explained Millin.

slashed our bank debt by \$10m. and reduced our receivables by \$25m."

Inventories were also ruthlessly pared, to the tune of \$17m, so that by the end of the year the balance sheet had been restructured.

What hurts people like Low is that Scitex was doing everything the government asked of Israeli industry. It exported. It raised money (\$20m. in May 1985) from the New York capital markets, investing it in new plant and production facilities. But it came out of the year looking very poorly.

If it had held the money it raised from its share issue in a bank here, it would have grown rich from the profits to be made in Tapas and Pakam accounts last year. Those who invested in real assets lost, while those who played with paper money came out well ahead.

THESE HARSH conclusions emerge so clearly from the results of industrial and other companies for 1985 as to be incontrovertible. Many in the high-tech community find it hard to accept the chasm between the government's rhetoric and the reality its policies have created.

Uzia Galil, the chairman of Elron, tries to be philosophical about it. "We always believed that when the economy changed direction and started to improve, the high-tech sector would benefit most. We believed that whatever happened, the government wouldn't hit education. After all, we said, it's just self-defeating. But they did. Similarly, the economy improved, and high-tech did worse out of it than anybody else. I suppose today one must say 'I shouldn't have been surprised.'"

The *Economic Pages* are edited by Shlomo Maoz

High-tech – and high risk

By PINHAS LANDAU / Jerusalem Post Reporter

But, when speaking of the travails of Israeli high-tech, it is almost impossible not to think immediately of Elscint and Scitex, the two companies hailed as the flagships of Israel's achievements in this area. Elscint has been saved from the brink of bankruptcy by adopting a plan for sharing its losses between its owners, bankers and the government.

Scitex has not reached such a pass, but its \$13 million loss in 1985 shows that all is far from well there too. This was confirmed by the company's recent announcement that the dynamic duo that had, since its foundation in the early Seventies, brought it to the pinnacle of success, was splitting up. Arthur Low, the Canadian-born, 50-year-old president and financial director of the Herzliya-based computerized graphics company, stepped down from his post on April 1, and parted company with Ephraim Arazi for what were described as "personal reasons."

It appears that three different factors combined to land the company in trouble. One of these, obviously, was that the Scitex management made mistakes in timing certain moves, and possibly in making them at all. Another element was the slump in orders for one of Scitex's main product lines.

The third element in the unhappy

equation was the change in the situation of the company within Israel. To put it in a nutshell, all the policies put into operation on July 1 last year and developed since then—despite their clear-cut achievements in reducing inflation, etc.—not only did not help export-based high-tech industries, but actually made their lives much harder.

BEFORE examining why this is so, it is worth pointing out that this analysis is not just some post facto rationalization by the Scitex team to absolve themselves of some of the blame for what happened. The same themes have been heard from all the big technology companies, most recently from Tadiran boss Yigal Ne'eman, when he reported a large profit for his company, and before that from Fibronics, Optrotech and other profitable companies.

If one puts the elements of the emergency economic programme into the context of the high-tech companies' operating environment, it quickly becomes clear how this programme, so successful on the macro-economic level, has been damaging for many individual firms.

First of all, the dollar exchange rate was frozen. Most of our high-tech exporters sell primarily to the U.S. and their receipts are in dollars. In other words, their export revenues froze instead of constantly rising in shekel terms.

According to the plan, the compensation for frozen revenues was to be frozen wages. In fact, however, wages continued to rise.

Firms that held wages down lost employees; firms that held market rates, lost money. For science-based industries, losing employees is worse than losing money, at least in the short run, so they paid what they had to, to prevent the numerous R&D units of foreign firms from picking up their best people.

Another major problem was that the July programme sharply cut the level of support that the government had formerly given to exporters. Coming in the middle of their business year, this caught firms like Scitex with export orders which they would have to finance themselves, at much higher cost.

To make matters worse, the general cost of financing rose massively under the impact of the tight monetary policy of the Bank of Israel. Firms with shekel-denominated overdrafts were hurt very badly by interest costs in the second half of 1985.

FACED WITH these facts, most firms decided to cut back. This was true both of those still profitable, like Tadiran, and even more of those already in the red, like Scitex.

"The new game," said Low, "was to get our financing costs down. We

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Less than five months after the last crisis...

Frutarom again faces closure

By DAVID RUDGE
HAIFA. — The Frutarom electrochemical company which supplies raw materials for the bulk of Israel's plastics industry is again facing closure, less than five months after the government agreed to bail out the financially troubled firm.

The latest crisis has been brought about by the Oil Refineries cutting off supplies of ethylene to the company because of unpaid debts totalling \$2 million.

The ethylene, which is piped directly from the refineries to the Frutarom plant near Acre, is used in the manufacture of PVC resins and other products. Without the ethylene feedstock, the company cannot continue production and manufacturing plants are gradually being shut down.

Management wants to start sending some of the firm's 530 employees on leave until the crisis is resolved, but the move is being opposed by the workers and the Acre Labour Council.

The workers maintain that they

should not be made to suffer for a problem that is not of their making, especially as they had agreed to a five per cent pay cut and the dismissal of 25 staff as part of a recovery programme.

The Refineries was adhering to its position yesterday that it cannot afford to continue financing Frutarom's operations. Refineries spokesman Shimon Rappaport said they had agreed three months ago to reschedule Frutarom's debts to help the company.

The firm had failed to meet the payment deadline, however, and the Refineries had decided to cut the supplies, after first giving a week's warning.

"We are the only ones, in practice, who have helped Frutarom, unlike the government and the firm's shareholders, who have not fulfilled their obligations. There has to be a limit, however, and that point has been reached," said Rappaport.

Frutarom general manager Arik Markman told *The Jerusalem Post* that the recovery programme agreed

with the government, which involves rescheduling the firm's loan debts of \$4.5 million — had not been implemented, mainly because of delays in getting the approval of the banks involved.

The company's cash flow problems had been exacerbated by the high interest charged by the banks, their decision to cut Frutarom's credit, and a drop in sales. This latter problem had resulted from the closure of the Refineries' ethylene plant for two months for repairs.

Markman said that the result of the combination of these factors was that the gap between income from sales and expenditure had grown from \$3m. to \$7m. since the recovery plan agreement was reached with the government last November.

The firm is now calling on the government to arrange guaranteed loans to cover the \$7m. cash flow gap and apply pressure on the banks to restore the firm's credit.

The firm has an annual turnover of \$65m., of which \$35m. come from exports.

Revolt in Lod over arnona

By MICHAEL YUDELMAN
Jerusalem Post Reporter
TEL AVIV. — Seven of Lod's leading manufacturers Tuesday declared war against Mayor Maxim Levy for charging them more than \$3 million municipal rates.

"Lod has turned into the Sodom of industry in Israel," the manufacturers' action committee said. The committee refused to reveal what measures it plans to take against Levy, but noted that the measures would be felt any day now.

The manufacturers, Telrad, Elite, Agrexco, Kargal, Sufra, Oram and a large oil firm, complained that the city rates were increased by 2,300 per cent over the past two years.

Meanwhile, the industrialists are withholding their taxes. Their campaign against the *arnona* rates is in accord with the Manufacturers Association's coordination committee. It was learned.

Lod is the second town in Israel whose business people are getting organized to fight the high municipal rates imposed on them. Last week, Petah Tikva's business and shop owners staged a one-day strike to show mayor Dov Tavori they mean business.

TRADE SURPLUS. — Sweden posted a visible trade surplus of 8.9 billion kroner (\$1.22b.) over the first quarter of 1986, an increase of 2.3b. kroner over the same period last year, the Central Statistics Bureau reported in Stockholm yesterday.

Farm exports to Europe carried by Israeli ships now

By YA'ACOV FRIEDLER
Jerusalem Post Reporter
HAIFA. — The local Ofer Brothers Shipping Company has bought the two refrigerated ships that have been carrying Israel's farm exports to Europe from the British P & O company, manager Julie Ofer told *The Jerusalem Post* on Tuesday.

The 15-year-old Vendee and 14-year-old Vosges, each of some 8,000 ton deadweight, had been chartered by Agrexco for the Ashdod-Marseille run for the past ten years. Their current five-year charter expires in June.

The Marine Officers Union has long pressured Agrexco and the authorities to put the ships under Israeli flags and create employment for members of its union.

Ofer, who declined to reveal the purchase price, said he would put both ships under the Israeli flag and man them with "a majority" of Israeli seamen. They would have 25-man crews each, similar to their present complement.

He said Agrexco had agreed to

give Ofer a three-year contract for the ships. An Agrexco spokesman declined comment, but an Officers Union representative said Ofer would charge the same rates as those paid to the British owners.

Ofer said his company had also purchased two second-hand bulk carriers for the phosphate export trade, to replace its aging ships. The 40,000 ton Argaman, purchased in the Far East would sail with 26 men, half of them Israeli, and the 18,000 ton Rhona, bought in Greece, would have a similarly composed crew of 24.

Meanwhile, Zim has announced that in view of growing business it was adding an eighth ship to its Eilat-Far East-Adriatic line. The chartered 17,000 ton Greek ship will enable Zim to offer sailing every 13 days instead of every 16, as at present. Two new ports of call, Colombo in Sri Lanka, and Guam, will also be added. The seven freighters already on the route comprise three Israeli-flag vessels and four chartered ships.

DID YOU KNOW THAT...

the average vacation pay is NIS 26.20 a day for workers not submitting receipts and a maximum of NIS 28.02 for those submitting receipts.

(Economy and Trade)

WORLD NEWS

IBM cancels meeting after Libya raid

MADRID (Reuters). — The U.S. computer company IBM has cancelled an international meeting planned next week in Palma de Majorca following the U.S. air raid on Libya, a company spokesman said yesterday.

He said the security of the 2,000 participants from West Germany, Switzerland and Spain could not be guaranteed following Libya's threats to hit cities in Southern Europe.

World Bank loans to China total \$142m.

PEKING (AP). — China has borrowed more than \$143 million from the World Bank's International Development Association since 1982 for agriculture development in poor areas, the state news agency Xinhua reports. Citibank of the U.S. has

offered the Agricultural Bank of China long-term loans worth \$300m. Banks in Austria, West Germany, Japan, Australia and Finland have also expressed interest in loaning money to the state-run Chinese bank.

Opec's Ecuador repays Israel debt with oil

TEL AVIV (AP). — A member of Opec repaid a \$5 million to Israel in oil despite an embargo by Opec on sales to Israel, the daily *Haaretz* reported yesterday. Energy ministry spokesman Avishai Amir said the oil was purchased by a private British company representing Israeli interests abroad. He said the British company had paid \$5m. to the Israel Aircraft Industries.

Amir said it was significant that the report of the indirect sale had been made public in Ecuador despite the country's membership in Opec. The oil went to pay a debt owed by Ecuador to the National Airline Company to the Israel Aircraft Industries. A spokesman at IAI said he could not comment on the report.

Italy eases foreign currency requirements

ROME (Reuters). — Italy has rescinded a measure requiring firms to deposit 75 per cent of the value of exports in foreign currency pending payment, and also liberalized regulations on currency transactions by banks. The export requirement be-

longed to a package of measures passed on January 16, aimed at halting speculation against the lira. The package included a six-month restriction on the growth of internal credit.

Liberia hosts annual regional meeting

MONROVIA, Liberia. — The 21st annual meeting of the West African Clearing House (WACH) opened here Tuesday with more than 150 delegates including bankers from the IMF, EEC and ECA (Economic Commission for Africa).

The new governor of the National Bank of Liberia, John G. Bestman, said that despite the recent improve-

ments in the economies of the major industrial countries and trading partners of the West African nations the economies of the region continue to stagnate. He said that the country suffers from increased unemployment, scarcity of some basic commodities, inflationary pressures, fiscal imbalances and an overall deterioration of the standard of living.

London's Heathrow opens fourth terminal

LONDON (AP). — London's Heathrow airport brought its new fourth terminal into operation this week and businessman Christopher Palmer, the first passenger through, received a return ticket for a super-sonic Concorde flight to mark the occasion.

Described as Europe's most modern

airport terminal, the new 0.8 kilometre long facility took 13 years to build at a cost of £210 million (\$310m.). It can handle 4,000 passengers an hour and is designed to increase capacity at Heathrow, the world's busiest international airport, from 30m. to 38m. passengers a year.

Soviet Union plans big dam in Morocco

RABAT (Reuters). — The Soviet Union is negotiating for the construction of a major river dam in Morocco. The dam at N'jaara could retain four billion cubic metres of water from the Sebou river. It would enable 100,000 hectares of land to be irrigated, power a hydro-electric plant and end occasional flooding of the Kenitra region.

British jobless trend seen rising

LONDON (AP). — Britain's seasonally adjusted unemployment rate rose to 13.2 per cent of the work force in March, up from 13.1 per cent in February, the government said yesterday.

The Department of Employment said the number of people out of

work rose by 36,800 in March, to 3,197,000. It was the largest numerical increase in the seasonally adjusted data since September 1981.

Total unemployment fell by 18,000 to 3,323,776, or 13.7 per cent, down from 13.8 per cent in February.

EASING THE TAX BURDEN

The case for tax planning

With tax planning, a clear distinction must be made between tax evasion and tax avoidance; too often these terms are used interchangeably and incorrectly. Tax evasion is any action by the taxpayer, by illegal means — either by breaking the law or failing to fulfil its requirements — to reduce his taxes.

Tax avoidance, on the other hand, is a perfectly legal act by the taxpayer whereby he seeks, by careful planning, to reduce his tax burden or to avoid it entirely.

While the dividing line in tax planning is sometimes a tenuous one, legitimate planning is possible and practised in Israel as elsewhere. The utilisation of loopholes in the tax law or other tax planning devices should be evaluated as to their legality and not their morality.

Case Law
 In a famous English Tax Court decision, it was held that "no man... is under the smallest obligation, moral or other, as to arrange his legal relation to his business or to his property as to enable the Inland Revenue to put the largest possible shovel into his stores.... the taxpayer is entitled to be astute to prevent, as far as he honestly can, the depletion of his means by the Revenue."

Tax planning is an integral part of normal business management and affects the business from its inception — choice of business entity, mergers, day-to-day running and even winding-up proceedings.

In a 1970 Israeli court case (399/70: Roved Chemicals Manufacturing and Marketing Company versus the Tel Aviv Assessing Officer), the judge ruled: "Any person is entitled to manage his business affairs as he deems fit... as long as the taxpayer acts within the framework of the law; he may utilise any or every loophole in the law so as to reduce his tax liability, and the tax authorities may not interfere in this."

Certain Transactions Disallowed
 The legislature has attempted to restrict the scope of tax planning via Section 86 of the Israel Income Tax Ordinance, which states: "Where the assessing officer is of the opinion

that any act which reduces the amount of tax payable by any person, is artificial or fictitious, or that any transfer is not actually effected, or that one of the main purposes of the act is improper avoidance or reduction of tax, he may ignore the transaction, and the person concerned may be taxed accordingly. Tax avoidance or reduction may be deemed to be improper even where not contrary to the law."

In essence, the law entitles the tax authorities to disallow:

1. artificial or fictitious acts which reduce, or may reduce, the tax payable;

2. transfers not actually effected;

3. transactions where one of the main aims is improper.

In the light of various court decisions, the ultimate tests are that an act is *fictitious* when not actually performed and *artificial*, where it serves no business purpose other than avoidance of tax.

What actually constitutes "improper tax avoidance or reduction" is unclear.

Since the legislator has not defined the meaning of "improper" and it is doubtful whether it has ever been resorted to, it appears that disallowance of a legitimate transaction by the tax authorities will be based only on the fact that its sole purpose was tax-saving.

It is surely the responsibility of the legislature to ensure that the legal framework adequately provides for equality and fairness in its tax structure, and the taxpayer must be free to plan his business operations as he sees fit and in compliance with the law.

By Jeff Broide, C.P.A., with the assistance of Ya'acov Tamir, C.P.A., Zvi Mirshel, C.P.A., and Gidon Yosefson, C.P.A.



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 to Singapore (one stop)
 to Tokyo (via Polar route)

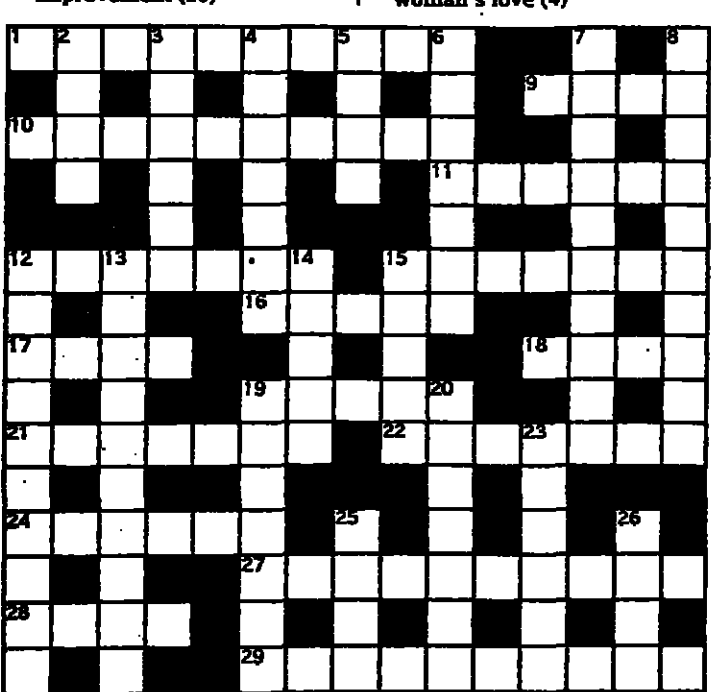
and other major cities in the Far East and Australia.

SAS

32 Ben Yehuda Road, Tel. 03-292233, Tel Aviv.

ONE-ON-ONE CROSSWORD

- ACROSS**
- 1 Fabulous young women all at sea (10)
 - 9 Many an old copper gives ground (4)
 - 10 A pianist's rendering of "Waterfalls" (4,6)
 - 11 Resign because of direction, and leave (6)
 - 12 Take the tube after study or run (7)
 - 15 Dry wine is essential for some travellers (7)
 - 16 The good man isn't a revolution (5)
 - 17 They were wise, putting the scholar before the soldier (4)
 - 18 Capital punishment! (4)
 - 19 Inside an ocean-going vessel (5)
 - 21 Beg in the town-centre—a tramp's way of life (7)
 - 23 Change gear? (7)
 - 24 Ridicule made clear in a letter (6)
 - 27 Record holders (10)
 - 28 Pole among a number returning home (4)
 - 29 Reforms aid men—note the improvement (10)
- DOWN**
- 2 Forced to return the cheese (4)
 - 3 Filmed first in the Mediterranean (6)
 - 4 Characters inclined to be distinctive (7)
 - 5 She's united the Spanish and the French (4)
 - 6 There's too much foam—draw back! (7)
 - 7 Pay attention, or get warning of dismissal (4,6)
 - 8 Taking in a dress to show expertise (10)
 - 13 Encouraging the coming round to do repairs (10)
 - 14 Not what a man would choose to wear in retirement (10)
 - 14 It's understood diplomacy circumscribes one (5)
 - 15 Some strangers give great offence (5)
 - 19 Delayed accepting further small-size clothing (7)
 - 20 Supposed to propose to cut the grass (7)
 - 22 The poor player needs an obstruction raised a little (6)
 - 25 Leaves carrier for an old actor (4)
 - 26 The brave man gets a woman's love (4)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Zartzi, Gilo, 766943, Baisam, Salah Edin, 272315, Shu'afat, Shu'afat Road, 810108, Dar Aldawa, Harod's Gate, 282058.

Tel Aviv: Ziva, 52 Ezel, 378403, Ahva, 185, Dzanpoff, 224717.

Netanya: Kupat Holim Clinic, 31 Brodetsky, 91123.

Haifa: Yavne, 7 Ibn Sina, 672288.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Shalom Zedek (internal, obstetrics), Hadassah Ein Karem (surgery, orthopedics, ophthalmology, E.N.T.).

Tel Aviv: Rosh HaNir (pediatrics), Ichilov (internal, surgery).

Netanya: Laniado.

FIRST AID

Magen David Adom emergency phone numbers (round the clock service).

Jerusalem: *523133, Ashkelon 23333, Bat Yam *561111, Beersheva 747167, Carmiel *985555, Dan Region *781111, Eilat 7233, Hadera 22333, Haifa *512233, Herzog 36333, Holon 803133, Tiberias *90111.

Mobile Intensive Care Unit (MICU) service in the area around the clock.

101 Emergency phone number in most areas.

POLICE

Jerusalem: 227177, Tel Aviv 261117/2, Haifa 672222, Beersheva 747167.

Rape Crisis Centre (24 hours): for help call Tel Aviv, 234819, Jerusalem - 245554, and Haifa 88791.

Jerusalem Institute for Drug Problems: Tel. 663826, 663902, 14 Bethlehem Rd.

Kupat Holim Information Centre: Tel. 03-433300, 433600 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

The National Poison Control Centre: at Rambam Hospital, phone (04)529205, for emergency calls, 24 hours a day, for information in case of poisoning.

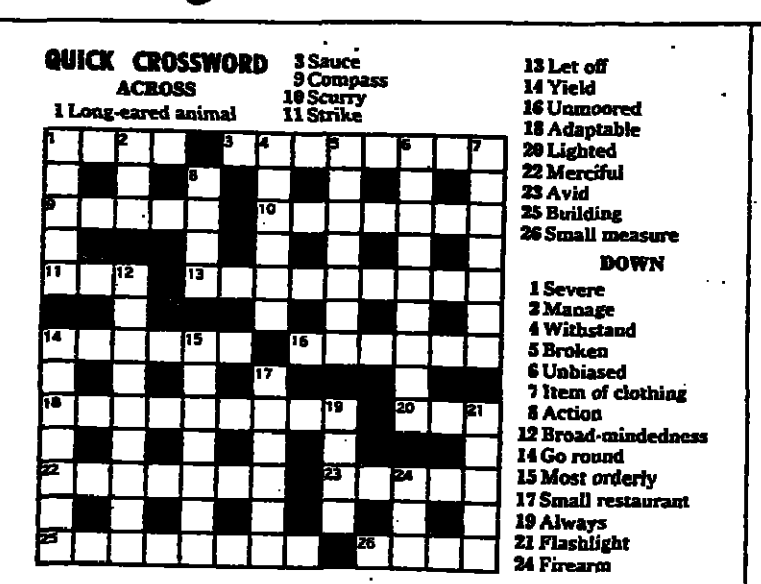
Tel Aviv: Dental Association clinic 49 Rehov Bar-Kochba, Friday: 6 p.m. to midnight; Saturday: 10 a.m. to 2 p.m.; 8 p.m. to 10 p.m. Tel. 03-284648.

Dental Clinic, 25 Rehov Ahimair, Ramat Aviv: Gimmel, Shabbat and holidays: 6 p.m. to 10 p.m. Weekday evenings: 4:30 - 10, Tel. 03-425632.

FLIGHTS

24-Hours Flight Information Service: Call 03-9712494 (multi-line). Arrivals Only. (Taped Message) 03-381111 (20 lines).

Safe Drivers
 SAVE SCHOOL CHILDREN'S LIVES



QUICK CROSSWORD

ACROSS

- 1 Long-eared animal
- 3 Sauce
- 5 Compass
- 7 Scary
- 9 Strike

DOWN

- 1 Let off
- 2 Yield
- 3 Unmoored
- 4 Adaptable
- 5 Lighted
- 6 Merciful
- 7 Avid
- 8 Building
- 9 Small measure

Yesterday's Solution

ACROSS: 1 Backer, 2 Hoarse, 10 Amnesty, 11 Envoy, 12 Clan, 13 Envy, 14 Grand, 15 Pier, 22 Wrong, 23 Epigram, 24 Mettle, 25 Miller.

DOWN: 1 Abraded, 2 Scudal, 3 Leash, 4 Boredom, 5 Brave, 6 Peys, 9 Bystander, 14 Fragile, 15 Misrule, 16 Primat, 19 Swamp, 20 Booth, 21 Vivid.

MINISTRY OF INDUSTRY AND TRADE

STAFF HOLIDAYS

The staff of the Ministry will be on group leave from April 23 until May 1.

During this period, the public will not be received at Ministry offices, which will reopen to the public on May 2. During this holiday period, the Ministry's inspectors will continue their duties, and at the Ministry's area offices, clerks will be on duty to record complaints. The Ministry has designated Monday, April 28, as the day during the intermediate days of Passover, on which meat will be sold at cold stores.

Grill Plus
 Take-Out Home Cooking
 Reh. Hapalimach
 Tel. 02-638106

Ariel
 Take-Out Home Cooking
 Kikar Denya, Beit Hakarem
 Tel. 02-535957

KOSHER LEPESSAH

Please place your Passover orders early. Orders accepted until 7 p.m. on Sunday, April 20, 1986.

Shops closed during Hol Hamoed.

All our products are sans pulses, and bear the kashrut certificate of the Jerusalem Chief Rabbinate.

Best wishes for a Happy, Kosher Pessah.

ALL TRAVELLERS GOING ABROAD ARE EQUAL

YOU DESERVE 100% SERVICE

Authorized travel agent-excellent service. Check whether your travel agent is a member of the Association of Travel Agents and IATA agents. The membership certificate is your guarantee of reliable, professional service and freedom from worries.

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MARKET PLACE

PINHAS LANDAU

The only foreign bank

Everybody says that there are too many banks in Israel. What they mean is that there are too many bank branches; there are not that many banks, and those that are, are owned by the five big groups, with only one or two hangers-on.

Tucked away opposite the American embassy on Rehov Hayarkon in Tel Aviv is the only foreign bank in the country — and even that is not a real bank, but a representative office of an American bank.

Heritage International Bank, founded in 1983 in Bethesda, Maryland, is not yet pushing its way into the rankings of the biggest banking institutions in the U.S. It is small even by our standards. But what this company does have, and which is lacking in some of its bigger brethren here and elsewhere, is a clear sense of corporate identity. It knows what it wants to do, how, and where.

Founded by a group of mostly American, mostly Washington-area, all Jewish and all Israel-oriented businessmen, Heritage is intent on developing trade and other financial business between its home base — the Maryland/Washington area — and Israel. So far, it has moved steadily toward achieving that aim.

The bank's results — to start at the bottom line — have been heading in the right direction. Its first full year of operations in its head office branch in Wisconsin Avenue, Bethesda, ended with a modest net profit of \$49,000. The following year, 1985, saw that rise to a more substantial \$175,000, or \$1 per share on the 175,000 shares that the company issued over the counter in 1983. Since it is still working off its start-up losses of over \$0.5 million, the company has yet to pay any taxes.

The balance sheet also grew last year, although not as dramatically of course. A 31 per cent increase took total assets from \$32.3 million to \$42.8m.

Heritage describes itself as a full-service commercial bank, specializing in offering highly personalized international banking services to companies involved in import and export trade world wide. Of course, when you're that small, you've got to offer personalized service, almost by definition.

But, as Heritage vice-president Bruce Cameron told *The Jerusalem Post* in an interview during a recent visit here, the bank is not just a club for its founders and their friends. Its circle of clients is expanding beyond the geographic confines of the Washington area where it is located. Its services are sought by many companies, both Israeli and American, interested in or already involved in trade with Israel.

Cameron mentioned one new customer who opened an account and is becoming very active, all from his office in New York City, without setting foot in the office of the bank at all. Of course, they do things differently (some might say sensibly) over there.

Since its small size makes it unable to take on large financing single-handedly, Heritage seeks to form consortia of banks to undertake specific financing projects, and it is becoming more adept at this technique, as it gains experience in it.

The Israel office consists at present of two persons — the manager, John Marlow, and his secretary. Marlow is a South African with banking experience encompassing the U.S., Europe and Israel, including working for Bank Leumi both here and abroad.

His task at the moment is to seek out opportunities for the branch in Bethesda to capitalize on and, at the same time, to push for his representative office status to be raised to that of a branch, albeit with limited functions. The negotiations with the Bank of Israel in this respect are proceeding slowly, but he is hopeful that authorization will be forthcoming in the end.

At a time when Israeli banking has its own problems, the interest shown by foreign investors, whether through direct investment in existing banks, à la Jack Nasser, or through setting up American banks with Israeli orientations, should be seen as a welcome broadening of our somewhat narrow horizons.

Textile troubles with the U.S.

Some weeks ago this column reported about the fresh troubles surrounding the Israel-U.S. Free Trade Area (FTA) agreement. The American customs authorities prevented an Israeli shipment of bed sheets from entering the country, invoking the existence of import quotas on textiles.

Some time later U.S. Secretary of State George Shultz clashed with his hosts during a visit to Turkey, when the latter raised the issue of Turkish textile exports to the U.S.

U.S. sensitivity regarding textiles is no sudden caprice. In the last years its textile and apparel industry has been hit by an increasing volume of imports, causing a clamour for protectionist measures.

The American fibre, textile and apparel industry employs about 2 million people, roughly 10 per cent of the total manufacturing workforce. But the U.S. market is also the largest market in the world, and has therefore attracted increasing competition.

During the ten years up to 1983, textile and apparel imports increased by an average of 6 per cent a year on a volume basis. In 1983 they rose by 25 per cent. One year later they increased by 32 per cent. According to some estimates, by

INTERNATIONAL TRADE AVI TEMKIN

1984 one-third of all apparel sold in the U.S. was foreign made.

These figures explain the American attitude on textile imports. Under the Multifibre Arrangement Regarding International Trade in Textiles, the U.S. may enter into bilateral textile agreements with other countries. There are currently 36 such agreements. They permit the Americans to regulate textile imports by providing for consultations, growth rates and base levels. They give the U.S. government a mechanism with which to restrict textile imports.

Judging from the latest American moves, the U.S. apparently regards the FTA agreement it signed with Israel, and the accord on Israel's

textile exports to the U.S. reached in November, as similar in character to the Multifibre Arrangement accords.

Moreover, even if the problem of the bed sheets was solved, one has to take into account the existence of the Committee for the Implementation of Textile Agreements, a government body which can decide on a call for quota consultations. This happens each time the committee comes to the conclusion that imports of certain textiles from a given country appear to disrupt the U.S. market. This means that, under the American interpretation of the FTA accord, any Israeli textile item may find its import restricted by the committee.

45 U.S. buyers, 20 from Japan, at Jewelry Week

Jerusalem Post Reporter
More than 100 foreign buyers participated in Israel Jewelry Week, which closed yesterday at Jerusalem's Laxman Hotel. The largest single group of buyers came from the U.S. — 45, while 20 represented Japan.

Ya'acov Danai, chairman of the

Export Institute committee that organized the event, said it was too early to report on the volume of sales. However, exhibiting manufacturers reported they had made important business contacts, including several with overseas dealers who have never purchased Israeli-made jewelry before.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:			Turnovers:			4.25% fully-linked		
General Share Index	112.82	-0.84%	Shares—total	NIS 7,974,400		80% linked	Falls to 1%	
Non-Bank Index	128.19	-1.16%	Arrangement	NIS 2,538,600		50% linked	Slight rises	
Arrangement	105.56	-0.68%	Non-bank	NIS 5,440,800		Double-linked	Stable/light rises	
Insurance	151.62	-0.14%	Bonds—total	NIS 4,569,000		Dollar-linked:	Rises to 1%	
Commerce, Services	141.36	-1.15%	Index-linked	NIS 2,003,700		Admon	Stable	
Real Estate	157.87	-1.22%	Dollar-linked	NIS 2,655,300		Rimon	Falls to 0.5%	
Industrials	121.40	-0.82%	Treasury Bills	NIS 12,922,300		For Curr.	Falls to 1%	
Textiles	145.87	-0.65%	Share Movements:			denominated	Mixed to 1%	
Metals	113.18	-0.58%	Advances	106 (114)		Treasury Bills	(monthly yield)	1.38% - 1.62%
Electronics	102.58	-0.39%	of which 5% +	13 (28)		IDB ord.	11.52%	
Chemicals	124.01	-0.61%	"buyers only"	4 (2)		Union 0.1	11.30%	
Industrial Invest.	112.84	-2.82%	Declines	187 (182)		Discount A	11.47%	
Investment Cos.	125.63	-3.21%	of which 5% -	36 (48)		Mitralim r.	11.75%	
General Bond Index	103.83	+0.02%	"sellers only"	8 (10)		Hapoalim r.	11.75%	
Index-linked Bonds	104.01	+0.03%	Unchanged	103 (95)		General A	11.43%	
Fully-linked	105.65	-0.23%	Trading Halt	42 (48)		Leumi stock	12.05%	
Partially-linked	102.83	+0.23%	Bond Market Trends:			Fin. Trade 1	10.13%	
Dollar-linked Bonds	100.00	-0.05%	Index-linked					
Short-term 0-2 yrs	102.90	+0.18%	3% fully-linked	Falls to 1-3%				
Medium-term 2-5 yrs	103.21	+0.02%						
Long-term 5+ yrs	103.58	-0.22%						

SELECTED PRICE QUOTATIONS

Name	Price	Volume	%	Trade & Services	Price	Volume	%
General Share Index	112.82	4420	+1.0	Meir Ezra	4230	30	+0.3
Non-Bank Index	128.19	171	-5.0	Supersol 2	4430	754	-
Arrangement	105.56	1672	-0.6	Delek r.	5200	1167	-1.0
Insurance	151.62	3590	3139	Lightmarge	5900	102	-
Commerce, Services	141.36			Cold Storage			
Real Estate	157.87			Dan Hotels	4058	84	-2.1
Industrials	121.40			Yarden Hotel	3101	103	-7.2
Textiles	145.87			Hilton 1	12445	41	-0.2
Metals	113.18			Team 1	1815	679	+0.8
Electronics	102.58						
Chemicals	124.01						
Industrial Invest.	112.84						
Investment Cos.	125.63						
General Bond Index	103.83						
Index-linked Bonds	104.01						
Fully-linked	105.65						
Partially-linked	102.83						
Dollar-linked Bonds	100.00						
Short-term 0-2 yrs	102.90						
Medium-term 2-5 yrs	103.21						
Long-term 5+ yrs	103.58						

Ministry of Education and Culture	Shorashim	Histadrut - General Federation
Adult Education Division	Jerusalem Centre	of Labour
Tora Culture Branch	for Jewish Studies	Forum for Current Jewish Affairs

We announce a seminar on MESSIANISM, REDEMPTION AND PRAGMATISM of RABBI KOOK

With the participation of:

- Mr. Yosef Avineri
Dr. Binyamin Ish Shalom
Dr. Nahum Arieli
Rabbi Yoel Bin-Nun
Prof. Yosef Dan
Dr. Mordechai Pachter
Rabbi Yohanan Fried
Dr. Avraham Tzivion
Dr. Aviezer Ravitzky
- Bar-Ilan University
— The Hebrew University of Jerusalem
— Bar-Ilan University
— Har Etzion Yeshiva, Alon Shvut
— The Hebrew University of Jerusalem
— Haifa University
— Ministry of Education, Jerusalem
— Ministry of Education, Jerusalem
— The Hebrew University of Jerusalem

Venue: The Seminar will be held in Tel Aviv on Sunday, Monday, April 27, 28.

Participants will assemble at 9:30 a.m. on Sunday, April 27.

Details and registration: Shorashim offices, Tel. 02-699746, 02-639634, and the Maariv Touring Club, Tel. 03-439207.

02-699746

FINANCIAL DATA
ISRAEL EUROPE U.S.

Israel Money Markets April 16, 1986

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	LAST UPDATED	TAPAS	PAKAM 7-DAY	PAKAM 30-DAY
LEUMI	16.4	8-13.75%	8-14.25%	9-14.50%
HAROLIM	13.3	10-12%	11-12%	12-12.5%
DISCOUNT	8.4	7-13%	7-13%	8-14%
MIZRAHI	8.4	6-13%	6-14%	6-16%
FIRST INTL	12.3	6-13%	7-13%	6-13%

Rates vary according to size of deposit.
(Tapes: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (as of April 16)

	3-MONTHS	6-MONTHS	12-MONTHS
USD	8.250	8.250	8.250
STG	8.250	8.250	8.250
DMK	3.075	3.075	3.075
SFR	3.500	3.500	3.500
YEN	3.250	3.125	3.125

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES

COUNTRY	CURRENCY	CHEQUES AND TRANSACTIONS	Purchase	Sale	BANKNOTES	Purchase	Sale	BANK OF ISRAEL	Representative Rates
U.S.A.	DOLLAR	1	1.4885	1.4872	1.44	1.50	1.4775		
GREAT BRITAIN	STERLING	1	2.1959	2.2234	2.15	2.24	2.2198		
FRANCE	FRANC	1	0.6488	0.6569	0.64	0.66	0.6522		
HOLLAND	GULDEN	1	0.2035	0.2080	0.20	0.21	0.2048		
SWITZERLAND	FRANC	1	0.5788	0.5830	0.56	0.58	0.5784		
SWEDEN	KRONA	1	0.7743	0.7840	0.76	0.78	0.7784		
NORWAY	KRONE	1	0.2033	0.2059	0.20	0.21	0.2043		
DENMARK	KRONE	1	0.2056	0.2081	0.20	0.21	0.2068		
FINLAND	MARK	1	0.1781	0.1783	0.17	0.18	0.1772		
CANADA	DOLLAR	1	0.2680	0.2716	0.26	0.28	0.2687		
AUSTRALIA	DOLLAR	1	0.9322	0.9306	0.91	0.94	0.9313		
SOUTH AFRICA	RAND	1	1.0517	1.0648	0.99	1.09	1.0582		
BEELGIUM	FRANC	1	0.7344	0.7436	0.72	0.75	0.7387		
AUSTRIA	SCHILLING	1	0.3170	0.3210	0.31	0.32	0.3208		
ITALY	LIRE	1000	0.0372	0.0386	0.03	0.04	0.0310		
JAPAN	YEN	100	0.0373	0.0382	0.02	0.03	0.0359		
JORDAN	DINAR	1	0.8312	0.8417	0.82	0.84	0.8359		
EGYPT	POUND	1	—	—	4.04	4.29	4.0642		
					0.79	0.84	0.8202		

SUPPLIED BY BANK LEUMI

European Financial Markets

Precious Metals

GOLD:	LONDON	A.M. FIX	340.75	P.M. FIX	339.00
	PARIS	NOON FIX	341.49	ZURICH P.M.	341.25
SILVER:	LONDON	FIX	537.60		
PLATINUM:	LONDON	P.M.	424.25		
PALLADIUM:	LONDON	P.M.	108.45		

FOREIGN CURRENCY CROSS RATES (London 15.30GMT)

Forward Rates	SPOT	3 MTHS	6 MTHS	12 MTHS
DEUTSCHE MARK	2.2680/95	88/83	129/124	250/240
POUND STERLING	1.5020/30	90/88	124/121	216/211
SWISS FRANC	1.8910/30	83/78	121/116	240/230
JAPANESE YEN	176.80/90	59/56	153/149	153/149
FRENCH FRANC	7.1800/50	70/100	100/150	220/280
ITALIAN LIRA	1549.25/25	1300/1475	1850/2050	4050/4300
DUTCH GULDEN	2.5430/50	67/63	94/90	188/177
BELGIAN FRANC	45.950/80	10/12	13.5/16.5	18/23
DANISH KRONER	8.3200/50	50/100	100/150	125/225
S.A. AFRICAN RAND	0.4885/95	+39/31	+148/43	+80/70
EUROPEAN CURRENCY UNIT	0.9538/42	12/8	15/10	22/16
FINNISH MARK	5.0920/20	375/415	580/630	1260/1360
AUSTRALIAN DOLLAR	0.7110/77	122/118	173/168	317/311
NORWEGIAN KRONA	242.22	790/810	1185/1205	2400/2440

Formula for determining forward rates:
High/Low (eg. 220/210) — deduct from spot price.
Low/High (eg. 210/220) — add to spot price.

New York Financial Markets

WALL STREET Closing Prices

Dow Jones Indices	1,847.97	+38.32	NYSE Highest Volume	24 1/2	+2 1/2
IND	813.30	+24.17	ATT	20 1/2	-3/4
TRANS	181.22	+1.49	EAST STEEL	60 1/4	+1 1/2
UTILS	138.58	+2.43	US KODAK	48 1/2	+3 1/2
NYSE COMP	387.64	+5.93	DAR & KRFT	57 1/2	+3 1/2
NASD COMP	237.25	+4.43	IBM	154 1/2	+2 1/2
S-P INDEX	242.22	+4.49	UNION CARB	32 1/2	+1 1/2
S-P COMPOSITE	273.53	+1.67	TEXACO	34	+2
AMEX INDEX			FANNIE MAE	8	+4
			PULLMAN CO		-1/4

Statistics	VOL 173,939,270	STOCKS UP 1,295	DOWN 395
NYSE			
NASDAQ	VOL 125,064,300	STOCKS UP 1,020	DOWN 979

Comment
WALL STREET STOCKS ADD TO GAINS — Stocks added to gains, as the market concentrated on lower interest rates and oil prices and decided that the immediate negatives of the U.S.-Libya conflict may be out of the way, traders said. Sluggish economic data boosted hopes of a swift cut in the discount rate, boosting the bond markets. The Dow Jones industrial average jumped 30 points to 1848, compared with the record close at 1821.72 March 27. Advances led declines three to one.

ISRAELI STOCKS Traded in New York:

NYSE and ASE	Last	Prev. Close	High	Low	Vol ('00s)
Alliance	2 1/2	2 1/2	2 1/2	2 1/2	2
Am Isr Pap	11 1/4	10 3/4	11 1/4	11	68
Ampl	2 1/2	2 1/2	2 1/2	2 1/2	123
Elscot	2 1/2	2 1/2	2 1/2	2 1/2	68
Elz Lavud	13 1/4	12 1/4	13 1/4	12 1/4	123
Laser Inds	15 1/4	14 1/4	15 1/4	14 1/4	172

Over the counter	Last	bid	ask
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THE JERUSALEM POST

Ari Rath
Editor and
Managing DirectorErwin Frenkel
Editor

Founded in 1933 by GERSHON AGRON, who was Editor until 1955. Editor 1955-1974 TED LURIE. Editor 1974-1975 LEA BEN DOR. EDITORIAL OFFICES AND ADMINISTRATION The Jerusalem Post Building, Romema, Jerusalem P.O. Box 81 (91000) Telephone 551616. Telex 24121. TEL AVIV 11 Rehov Carlebach, P.O. Box 20126 (61001) Telephone 554222. HAIFA 16 Rehov Nordau, Hadar Carmel, P.O. Box 4810 (61047) Telephone 645444. Published daily, except Saturday, in Jerusalem, Israel by The Jerusalem Post Ltd. Printed by The Jerusalem Post Press in Jerusalem. Registered at the G.P.O. Copyright of all material reserved. reproduction permitted only by arrangement.

No place for dialogue

KNESSET MEMBERS and some ordinary Israelis on their way to a licensed political meeting in the West Bank town of Hebron were roadblocked, mauled, stoned, kicked, terrorized, spat upon and abused by a crowd of rowdies under the direction of well-known local notables.

What did the army, under Aluf Ehud Barak, OC Central Command, do to break up the unlicensed, riotous assembly? Nothing, except to very slowly and very patiently clear a path for the arriving Peace Now guests, and arrest three of the rioters. Why was force not used by the army, as it so often is when the law is broken by Arabs in the occupied territories? Plainly, because the law breakers in that particular instance were not Arabs but Jewish settlers and their political supporters.

A violent disturbance at the Hebron Polytechnic was broken up unceremoniously the same day, but there the rioters were Arabs.

The double standard so often applied by the security forces cannot but be taken as confirmation of the settlers' claim of right to lay down their own law for the territories. And the settlers' law, while treating the territories as already liberated and only awaiting formal annexation, delegitimizes — indeed criminalizes — any bid by Israelis to discuss options for a negotiated settlement for the territories with peace-minded Palestinians. Which was the purpose of the Peace Now meeting.

The meeting was pointedly held at Hebron's Park Hotel, birthplace of neighbouring Kiryat Arba, where, not by coincidence, Tehiya was holding its national convention. Tehiya is the chief advocate of immediate annexation, and to hell with the hope of peace or even with the peace treaty with Egypt. What annexation means was clarified by Geula Cohen, by no means Tehiya's most extreme leader, in tabling a bill to apply Israel's law, jurisdiction and administration to Judea, Samaria and Gaza in the Knesset a few weeks ago.

We are not, said Ms. Cohen, proposing the annexation of Hebron to Tel Aviv, but rather the annexation of Tel Aviv to Hebron.

The country has thus been duly forewarned. A small group of settlers in the territories, and the political minority that backs them up, would force the nation into endorsing their programme of Greater Eretz Yisrael and continuous war with the Arabs. Shutting up their opponents is apparently part of the programme.

Keeping stability stable

THE MODERATE 1.5 per cent rise of the March consumer price index has been greeted with universal, almost euphoric, satisfaction. That is understandable: only nine months ago monthly inflation ran at what is now the annual — and apparently stable — rate.

Nevertheless, a stable inflation rate, even if low by Israeli standards, does not mean stable prices. Strangely, the question does not seem to be asked what law of economics decrees that we must still have a residual or "core" inflation of 1.5 per cent a month. The inflation we import from abroad might account for a price rise of a quarter, or perhaps half a percent a month. The rest is home-made. Why should it be?

There is clearly nothing on the demand side to pull prices up. On the contrary: the big marketing chains compete with one another by offering price discounts and credit terms generous beyond belief. Producers that have been freed of price controls find that they cannot charge more than the market will bear, and that that is often less than the rise in their costs.

If, for all that, prices continue to rise, it is because they are still being pushed up on the cost side. Cost inflation persists because the economic recovery programme left loose ends in synchronizing the freeze on prices, real wages and the exchange rate that was essential for disinflation.

Instead of a one-time full synchronization, some of the cost pushes of the massive devaluation that initiated the programme were held back. At the same time the government prevented the pass-through of cost reductions, such as those resulting from the fall in oil and commodity prices. Given the uncertainties attending the policy and its sociopolitical constraints, much more could probably not have been done. The upshot, however, is that what has been achieved so far is a stabilization of the inflation rate rather than a stabilization of prices.

Prices continue to be pushed up on the cost side, and this will go on until the synchronization process comes to an end — if, that is, the government will allow it to come to an end. It is this "if" which imperils the completion of the stabilization process.

The routine attempted remedy for an inflation primarily pushed up by devaluation has long been a fresh round of devaluation, which would be expected to both raise inflation again — and put paid to it. Now it is generally conceded that instead of creating a firebreak, devaluations fanned an inflationary conflagration that eventually became uncontrollable.

Unfortunately the lesson of experience has not sunk in deeply enough. Thus voices are from time to time heard from the Treasury that call for "redressing" the present annual inflation of 25 per cent by having another go at devaluation — without considering that this will merely push inflation up again through the exchange rate-price-wage mechanism. These official voices are lent special resonance by the clamour for devaluation — or alternatively bigger export subsidies — by manufacturers who do not seem to realize that if they have their way, they will soon find themselves back at square one, paying higher wages and other costs.

The temptation must be resisted to try devaluation once again as a means of "offsetting" inflation. Present inflation is merely the delayed pass-through of cost pushes that have not yet fully run their course. If left to work itself out, the inflationary spiral will soon enough contract. It should on no account be pushed into expanding again.

U.S. ANGERED

(Continued from Page One)

A Soviet Foreign Ministry spokesman had informed Moscow that it had conclusive evidence of Libyan involvement in terrorism and "that limited military action was being taken, and that it was in no way directed against the Soviet Union."

Thatcher was opening an emergency debate in the House of Commons on Britain's decision to allow U.S. planes to use British bases for their raid on Libya.

Thatcher assured Parliament, where concern has been expressed about British involvement in the action, that Washington would have to make a fresh approach if it wanted to use British bases for any future raid.

The House approved the U.S. action and Britain's support by a 325-206 vote.

The British ambassador to Moscow was summoned to the Soviet Foreign Ministry yesterday to receive a protest over Britain's role in the air raids.

A Soviet Foreign Ministry spokesman later announced that Soviet leader Mikhail Gorbachev had sent a message of support to Muammar Gaddafi and that Moscow would keep commitments to strengthen Libya's defences against U.S. attacks.

The spokesman indicated a summit meeting between Gorbachev and Reagan this year was still possible.

The U.S. charged yesterday that the attack on Libya could have been avoided if the Soviet Union had heeded U.S. requests to "restrain the Libyans."

State Department spokesman Bernard Kalb said the U.S. informed the Soviet Union more than a week before the April 5 discotheque bombing in Berlin that actions by Libyans were being planned in that city.

"We urged the Soviets and East Germans to restrain the Libyans," Kalb said.

Earful of Gaza

DAVID TWERSKY

IN POLITICS, attention should be paid to the unspoken word and not only to the rhetoric — harsh, stale or flowery — which fills the air-waves and newspapers.

The Gaza Strip lies in the centre of the present diplomatic silence. Prime Minister Peres discussed his proposal for an autonomy agreement in the Strip with Assistant Secretary of State Richard Murphy, now on a Middle East shuttle, and there are reports that Washington is trying to convince Cairo and Amman to agree to a functional compromise of some sort first.

Gaza has several advantages. The national consensus regarding its future is unclear; the Jewish settlements at Gush Katif are relatively weak; the Arab partner, Egypt, is relatively strong and already publicly committed to peace with Israel.

The diplomatic activity is intertwined with recent changes in the platform of the Labour Party.

Peres, speaking at a meeting of Labour-affiliated writers and poets shortly before the party convention, gave his reason for dropping Gush Katif: "By what moral right," he asked, "do we take 30,000 dunams out of 350,000 in the Gaza Strip, which has the greatest population density in the country with half a million inhabitants, which will double in the next 20 years?"

PERES'S new position on Gaza should be understood on more than one level. Deputy Agriculture Minister Abraham Katz-Oz (who lives on a kibbutz adjacent to the Gaza border) has been arguing for years that the Strip represents an explosive demographic danger to Israel — and that the strategic foundations of the Gush Katif settlements in its southern part rest on nothing more substantial than the shifting sand-dunes which surround them.

"The Gaza Strip has the highest population density in the world," he wrote (*Spectrum*, March 1984). "Unlike Arabs in the western Samaria region [who hold Jordanian passports] Gazans cannot emigrate. The population increase staggers the imagination. If Israel doesn't open an Egyptian option to the south for this population, it will of necessity explode north and east — into Israel. This is healthy neither for Gaza nor for Israel."

Katz-Oz's position flew in the face of the Allon Plan — the operative Labour orthodoxy for a "final peace settlement." The Allon Plan envisaged most of the Strip ending up as

part of Jordan, along with the heavily-populated bulk of the West Bank. According to this view of the future, Gaza will be linked eastwards to the West Bank and Jordan and joined by a highway across the Negev. As a sweetener, Jordan will obtain access to a Mediterranean port.

In the meantime, Israel has signed a peace treaty with Egypt, returning the Sinai and Rafiah salient in exchange for peace and recognition. As part of a peace settlement with Jordan, the Gush Katif settlements will separate Egyptian Sinai from Jordanian Gaza. Now they separate Khan Yunis from Rafiah.

The future of the settlements makes even less sense than their present. Will they protect Egypt from Jordan or Jordan from Egypt? Do they protect Khan Yunis from Rafiah or Rafiah from Khan Yunis?

THE LABOUR convention overrode dovish opposition and reiterated its commitment to retaining the Jordan Rift, the Golan Heights, the north-western Dead Sea area, Gush Etzion and the Jerusalem area after peace.

More significantly, the convention dropped the southern Gaza Strip from the list, overriding hawkish opposition.

During the latter debate, Labour hawks were hard-pressed to define the strategic importance of these settlements — even if one accepts the rest of their logic as regards settlements, borders and territorial compromise. What Israeli purpose is being served by Gush Katif?

It is not difficult to understand why the annexationist crowd wants to keep Gush Katif on the map. They have no interest in getting rid of the Strip, so the settlements serve as a buffer between Sinai and Israeli-occupied Gaza. Nor are they disturbed by the demographic argument — dismissed with a verbal sleight of hand by MK Yuval Ne'eman at the Tehiya convention. Tehiya's "sober and realistic" solution is to make peace conditional on the resettlement outside Greater Israel of half a million Palestinian refugees — including 300,000 in Gaza.

The problem with the triumphant arguments against Gush Katif is that they were already familiar to Peres and Yitzhak Rabin when they led Labour in two general election cam-

paigns with the Gaza settlements a part of the Labour settlement map. Something besides a recognition of the weak basis of their strategic importance must have convinced them to join Katz-Oz and the party's doves in pressing for the end of Labour's Gaza commitment.

If support for Gaza settlements was dropped from the Labour platform, it was not because Katz-Oz was more persuasive as chairman of the platform settlement committee than he was in 1981 or 1984. Nor does it reflect the growth of the dovish influence in the party, despite party secretary-general Uzi Baram's argument that the change was symbolic of the party's new flexibility.

IT IS no secret that Labour is interested in the peace process. Unfortunately, the combination of Syrian and PLO obduracy has blocked Jordan from entering into territorial negotiations. Labour's attempts to interest King Hussein in a variety of interim functional solutions have also failed to get off the ground — especially after Nablus mayor Zafer Masri was buried beneath it.

In both cases, Peres could not tell Hussein what the final future of the West Bank Jewish settlements would be. Meanwhile the settlements, through their Council, began rumbling about a "Marshall Pétain" give-away and spread dark threats of civil war.

In Gaza, there are few settlements, and the Egyptians are stronger than the Jordanians. If the Americans, interested in both the peace process and Peres's incumbency, act quickly, and the Egyptians courageously and wisely, there may yet be a diplomatic breakthrough this year.

Egyptian Minister of State Boutros Ghali's speech at the Labour convention, it should be noted, failed to mention the Taba dispute even once. As in the case of the Labour platform, it sometimes pays to listen to the word unspoken. In Cairo now prepared to let that dispute assume its true modest size in the over-all structure of bilateral and multilateral relations?

The silence, in the present case, is deafening: only the untrained — or unwilling — ear could fail to grasp its significance. Labour's Gaza switch has everything to do with the sweet sounds of avoiding diplomatic stalemate and advancing the peace process.

The writer is editor of *Spectrum*, the Israeli Labour Movement monthly.

A leap forward

YEKUTIEL X. FEDERMANN

tion, which we have to support now and in the future.

We, the people of Israel, do not look for differences in political programmes, but for national motivation, unity and leadership. This congress has shown us how aggravating the discussion regarding the Summer Time is. And this goes for other religious demands as well, which are overshadowing our daily life. One man, or one religious group cannot tell the majority of our citizens what to do. They can only make decisions for themselves and live accordingly, without interference, but in tolerance and mutual respect. The Likud Party cannot dictate a behaviour to the government, which is offensive and shows disrespect to the government and especially to the prime minister. It is clear that this behaviour of certain ministers of the Likud is damaging not only to the government, but to the whole people of Israel.

If we compare the two congresses — the Labour Party's and the Likud's —

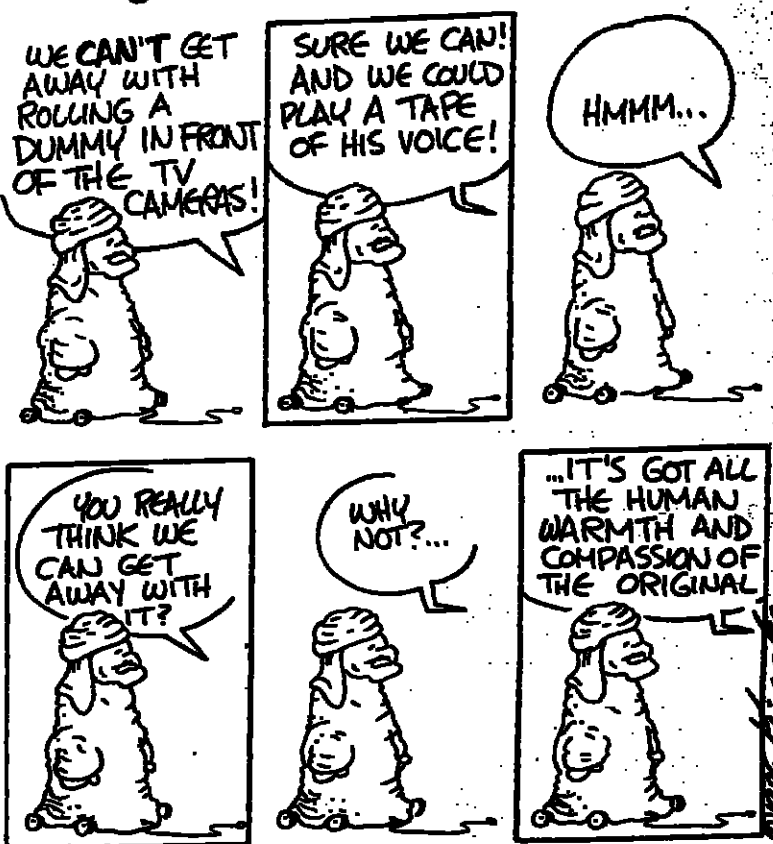
we find two different camps. Different values were demonstrated and each had its own expression. Let us join all the forces of our people to strengthen the Labour movement, which may even extend to a national movement which can absorb the citizens of Israel to protect their rights and at the same time demand the fulfilment of their national duties. There is no need to join a party, but there is need to join a national movement.

Let the Labour movement develop in this direction. This is the message and the spirit we took with us from the Fourth Labour Congress. To keep this alive the Labour movement must be active as a national, social, democratic movement for the good of the Israeli citizen and for the nation.

The great leap forward may have begun. Let us believe that it has begun for the good of Israel and our national future.

The author is a hotelier and industrialist.

Dry Bones



READERS' LETTERS

BLACK HEBREWS AND BLACK JEWS

To the Editor of *The Jerusalem Post* Sir, — Once again, *The Jerusalem Post* has upheld its tradition of biased reporting, particularly where the Black Hebrews ... and even suspected Black Hebrews are concerned.

We are, of course, making reference to stories you carried on the 26 Black Americans who were recently refused entry to the State of Israel. As it turned out, and it has subsequently been reported in *The Jerusalem Post*, these individuals were Black Jews, and not members of our community.

For the record, there are many Black Jews in America, numbering tens of thousands of individuals. While we are similar in our adherence to Jewish culture and tradition, these groups have no connection with our community in Dimona. They, like millions of Jews the world over, simply chose not to make aliya at this time and therefore continue to reside in America. The deported tour group was one of these congregations.

The unfortunate 26 souls who were turned around at Ben Gurion Airport (at the behest of the Ministry of the Interior) were sincerely seeking entry for the purposes of religious pilgrimage, as is the dream of virtually all adherents to the faith. Furthermore, numerous facts

ignored or covered up by the press dramatize the cruelty with which the present administration "greet" its visitors of colour.

Consider these facts. The group was: detained for approximately 36 hours in a locked room under armed guard;

afforded a mere eight chairs and forced to sleep on the floor; refused access to a telephone; subjected to continuous harassment and verbal abuse by their guards and various officials; and subsequently deported to Chicago, not their point of origin and home, New York.

Certainly a party of 26 (including eight children and a wheelchair-confined invalid) wearing the Star of David, turbans on their heads, and reciting prayers, was not attempting to sneak into the Holy Land. The shameful treatment accorded them in no way reflects these considerations.

Clearly, should present policy prevail — deportation based on colour and without regard to careful investigation — it would constitute the barring of all Black adherents to Judaism from visiting the Holy Land.

IMMANUEL BEN ISRAEL
Community Representative
Dimona.

TRAVEL DISCOUNTS: GONE WITH THE WIND

To the Editor of *The Jerusalem Post* Sir, — "Demand 100% service instead of bitty discounts," reads the enormous display advertisement by the Israel Tourist and Travel Agents Association in *The Post* of April 11.

What relief! No longer must the poor air traveller have to worry about saving a lousy \$300 on a round trip to New York. Instead, he can enjoy the "professionalism and reliability" of his travel agent. If the "expertise" isn't worth a whopping increase in the cost of your ticket, well what is?

The outrageous new law by the Ministry of Transport which forces every airline to charge one set price is bad enough. But for the Ittita to come along and assure us that it's all "for your own good," is just plain hutz-pa of the worst kind. Imagine

being forced to pay the same for a dress or a table no matter where you shopped, or the quality you wanted.

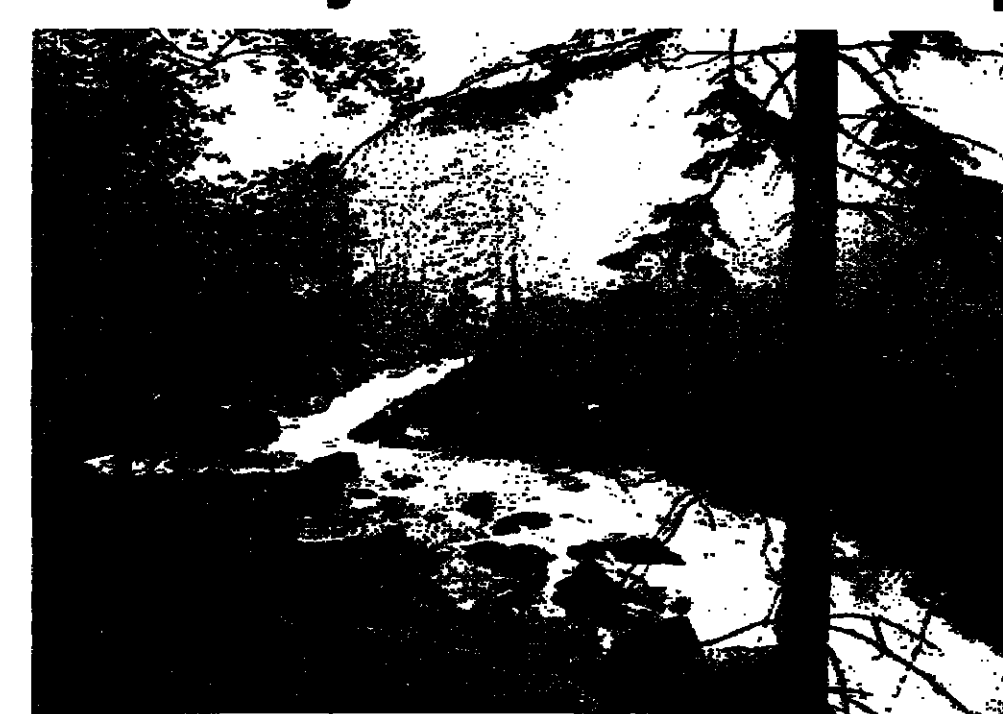
Free enterprise, competition and bargain-hunting have been sacrificed. And while Israel-originated travels now cost up to two times the reverse, the foreign coffers of the overseas-based airlines soak up precious Israeli currency reserves.

MARTIN ROSEN
Jerusalem.

CORRECTION

The views attributed to Aaron Leibel in a Reader's Letter published yesterday were expressed by Prof. Ze'ev Sternhell in an interview with Leibel and were marked as such. They are not necessarily those of the reporter.

Holidays in Germany



It's time to think about your vacation in Germany. The winter is over. It's springtime with its millions of flowers. The fruit trees are in full bloom. Nature is working overtime. So are the landlords, the innkeepers, the restaurant owners to make their establishments spick-and-span to welcome you. The shops are full of lovely things and the fashion houses display those charming summer garments.

What do you fancy? Theater? Concerts? Hiking? Sport? Mountain climbing? Shopping? Sailing down the Rhine? Wine tasting? There is so much to do in Germany, a mere four hours away, and it costs less than you think.

For information and brochure on holidays in Germany contact your IATA Travel Agent or the German National Tourist Office.

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